D. C. Coleman — "Boss" to 60,000 (Page 3)

Our Constitution at the Crossroads (Page 9)

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

ENLARGED MINING SECTION A WEEKLY FEATURE PAGES 14-16

Vol. XXVIII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 13, 1934 | 10c a Copy; $5.00 a Year | No. 41

The Nation's Business

Mr. Roebuck Has the Floor
The 30-hour Week Across the Line
Mortgage Money Anxious for Chance To Go To Work
N.R.A. Failure Shows Value of Competition
World Money Picture Again Uncertain

Mr. Roebuck Should Explain

ONTARIO has appointed a new securities frauds commissioner to succeed Col. George A. Drew, who was dismissed. Various obscure reasons were advanced for Col. Drew's dismissal but it may be taken for granted that he was let out because he was a Conservative, while the new government is Liberal. Under such circumstances, an exchange of political communications between Col. Drew and the attorney general, Hon. Arthur W. Roebuck, was not unusual.

Most of the material in these letters can be dismissed as not of great public importance. Nevertheless, despite the political character of the argument, there are two matters of distinct public interest that have been raised that call for more complete explanation.

* * *

COL. DREW has alleged that Mr. Roebuck endeavored to have a security selling license issued to a man with a long string of convictions. Mr. Roebuck has not adequately explained his position in this matter. That he made a mistake in asking for a review of the case is apparent from the fact that almost the first action of the newly appointed commissioner, John M. Godfrey, K.C., was to turn down the application.

Col. Drew has also criticized Mr. Roebuck's connection with an investment trust of somewhat unfortunate history. Mr. Roebuck's reply was that he was president of the company simply for legal reasons because the company was incorporated in his office. But a review of the company's sales literature reveals that he was more than that; he wrote and published under his name articles on investment trust practice and sound investment.

Mr. Roebuck is a man of such high character and has such an important job to perform that he should reply more fully to these charges.

* * *

The 30-Hour Week Means Higher Costs

THERE should be no misunderstanding as to what the American Federation of Labor wants in its campaign for a 30-hour week. It talks about work distribution. The premise is that there are several million men unemployed while others are working 40 to 48 hours a week. The argument is that there would be jobs for everyone if the work were divided up. Everyone, it is claimed, would be fully employed for a shorter period each week. The economic fly in this labor ointment is that the labor leaders want every worker to be paid as much for 30 hours of work as is now paid for 40 or 48 hours of work.

Labor, properly enough, would like unemployment to be converted into leisure. Another generation will probably bring the 30-hour week naturally and gradually. Labor wants it achieved overnight.

* * *

A SUDDEN increase in costs that might easily be absorbed over a term of years could not possibly be absorbed quickly in an economically chaotic world. To increase industrial costs would not put more money in the pockets of farmers, of other primary producers, of foreign buyers. It would put more money in the pockets of workers but workers are only a part of the market for the things they produce. The theory that a rise in wages will finance itself is of the same character as the idea that a man can lift himself by tugging at his bootstraps.

The net result of the 30-hour week, precipitately imposed under the conditions the A. F. of L. implies, would be simply to raise costs to the point where consumption would decline. There would then be less work to be shared. There would be progressive deterioration of the employment situation. The reductio ad absurdum would come when all workers were working one hour a week in order that everyone might have a share in producing the things that could be sold at a progressively rising scale of prices.

* * *

OPPORTUNITIES for employment must be created in other ways. They can best be created by

(Continued on page 2, col. 3)

Consolidation Plans 'Peg Electric Group May Disappoint Some

Pending Losses of Revenue Have to be Considered in Plan Prepared — Union is Essential for Welfare of All

SPLIT MEANS POWER BELOW COST

Every former owner of money used in creating Manitoba's greatest public utility enterprise—Winnipeg Electric Co. and subsidiaries—will soon be offered a plan for salvaging as much of his investment as possible. In place of the high hopes that attracted more than fifty million dollars into these enterprises from Eastern and Western investors in the seven years preceding 1930, holders of bonds and shares must expect a plan which will be based soberly on the realities of the situation. It cannot even be based in all cases on earnings because the glut of surplus power makes it likely that Manitoba Power, for instance, will lose some of the present contracts which have enabled it to pay interest and sinking fund requirements to date.

The securities of the three large companies which are to be thrown in the melting pot and new securities emerge, if the forthcoming plan is accepted, are as follows.

Direct Obligations of Winnipeg Electric

5 per cent 1st ref. mortgage bonds due 1935, $5,000,000 issued but $2,000,000 retired into sinking fund. Of high investment value will probably be exchanged for similar issue on January 2, 1935.
5 per cent refunding stock or bonds due 1954, £900,000
6 per cent ref. mortgage bonds due 1954, $7,000,000
Notes payable to bankers, secured, $1,250,000

Bonds Guaranteed by Winnipeg Electric Co.

Manitoba Power Co. 5½ per cent 1st mortgage bonds due 1951, $12,500,000
Northwestern Power 6 per cent first mortgage bonds due 1960, $12,152,200
Suburban Rapid Transit Co. 5 per cent bonds due 1938, $500,000
Wpg., Selkirk & Lake Winnipeg Ry. Co. 5 per cent bonds due 1933, $44,500

Stocks of Winnipeg Electric Co.

7 per cent preferred, $100 par, $7,000,000
No par value common stock, 244,772 shares

Stocks of Subsidiaries

Manitoba Power, no par common, 150,000 shares, 90.6 per cent held by Wpg. Elec.
Northwestern Power, 6 per cent pref., $100 par, $1,000,000. All owned.
Northwestern Power, no par stock, 250,000 shares. 88 per cent owned.
Suburban Rapid Transit, common, $100 par, $100,000. All owned by Wpg. Elec.
Wpg., Selkirk & Lake Wpg. Ry., pref., par $10, $10,000. All owned.
Wpg., Selkirk & Lake Wpg. Ry., common, $100 par, $490,000. All owned.

Complete Problem Met

Representatives of all these diverse security holders found themselves faced with a complex and difficult task to adjust satisfactorily the claims of all. It early became evident that a strict assertion by each group of its rights would bring pandemonium into the power situation in Manitoba. When the boom in mines and paper mills subsided to depression dimensions there was a considerable surplus of power which was swollen still further by enterprises fathered by those wedded to municipal ownership. A break-up of the central control of the enterprises, it soon became apparent, would result in three struggling power enterprises all offering power to any taker at costs which would not permit any return at all on the investment.

The task then has been to find some means of continuing the enterprise as a whole and of creating new securities for a unified enterprise with the object of distributing them in as nearly equitable a manner as possible. A subcommittee with representatives from the other committees was formed so that continuous attention could be given to all the problems involved. The conferences have been strenuous and protracted as the claims of each group of security holders in turn were examined and finally settled with respect to prospects of the enterprise.

Keep Unity

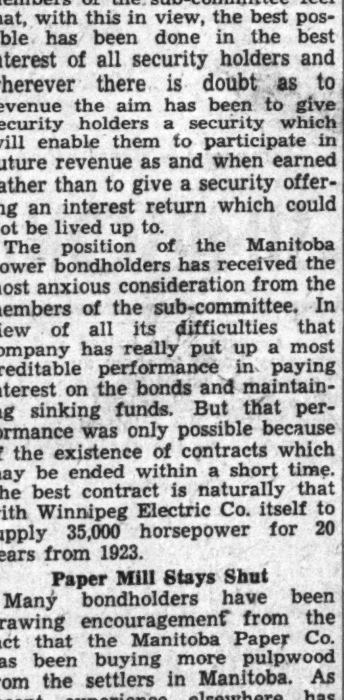
All realize that their best chance lies in preserving the whole enterprise. Unless and until this can be done the proper measures cannot be taken for protecting the earnings already available. The various members of the sub-committee feel that, with this in view, the best possible has been done in the best interest of all security holders and wherever there is doubt as to revenue the aim has been to give security holders a security which will enable them to participate in future revenue as and when earned rather than to give a security offering an interest return which could not be lived up to.

The position of the Manitoba Power bondholders has received the most anxious consideration from the members of the sub-committee. In view of all its difficulties that company has really put up a most creditable performance in paying interest on the bonds and maintaining sinking funds. But that performance was only possible because of the existence of contracts which may be ended within a short time. The best contract is naturally that with Winnipeg Electric Co. itself to supply 35,000 horsepower for 20 years from 1923.

Paper Mill Stays Shut

Many bondholders have been drawing encouragement from the fact that the Manitoba Paper Co. has been buying more pulpwood from the settlers in Manitoba. As recent experience elsewhere has shown that pulpwood has begun to deteriorate within a few years after being piled, it was thought this action portended early resumption.

(Continued on page 2, col. 1)



Average price for common stocks compiled by the Dominion Bureau of Statistics showed a nice recovery in the week ended Oct. 4. Indices are shown on page 5.

THINK ACTION WILL DEVELOP ON MORTGAGES

But Fewer Restrictions Thought Necessary to Ensure Revival

Fear of moratoria and other restrictive legislation is given as the chief reason why Canadian loaning institutions are undecided as yet whether to follow the lead of Canada Life Assurance Co. in offering mortgage money on selected urban properties in the East at 5½ per cent. This reduction in rate from 6 per cent as announced in last week's Post has already brought some increase in demand for loans from that company, it is understood.

"If we could feel that a mortgage was a mortgage once more, we would consider loaning money at lower rates," one loaning company official told The Post. "As it is we feel present rates are necessary in view of the legislative uncertainty which prevails in this field. As we see it, if governments would remove the fear and uncertainty with which they have bedevilled the mortgage picture, rates would very quickly adjust themselves—they might even drop to 5 per cent on first class properties.

May Entice New Borrowing

"Canada Life, I presume, feel they may entice new borrowers into this field by their action and it will be very interesting to see if this happens. All companies, though are fearful of further restrictions being placed by governments on mortgages. I would not be surprised to see the 5½ per cent rate withdrawn if this occurs."

Officials of Canada Life declined to comment on the reasons for their action but explained briefly that their rate applied only to "very selected urban mortgages in Eastern Canada."

No change is being made in valuation policy it is understood but the moral aspect of the risk is being closely scrutinized. Loans are apparently being made at this rate only where it is felt the record of the borrower is such that he will treat his mortgage as a covenant irrespective of what the law may require.

Most officials say there is no demand at all for loans and that 6 per cent is a fair price under present conditions. One executive said he felt the trend to lower interest rates had already gone too far on the downswing and might shortly react upward.

From Our Own Correspondent

OTTAWA.—Closely following an announcement that one insurance company is preparing to loan money on selected urban mortgages in the East at 5½ per cent, the Dominion cabinet last week passed an order-in-council authorizing purchase by the treasury of Federal Farm Loan bonds at 4 per cent. Previously the rate has been 5 per cent and the cut, while as yet unexplained, is almost certainly the first step in an effort to break farm mortgage rates to 5½ per cent. Prevailing rates are said to be 7 to 8 per cent.

It is learned that a statement explaining the importance of this order-in-council will be issued by Hon. E. N. Rhodes Minister of Finance, late this week. Until it is available, the policy of the government will remain in some doubt.

Usual Spread 1½ Per Cent

But the terms of the Farm Loan act strongly indicate that the Board will loan this money at an advance of 1½ per cent. The statute does not stipulate any spread between what the Board pays for its money and what it charges the borrowers. But

(Continued on page 2, col. 6)

POLICYHOLDER INTEREST RATE DROPS SHARPLY

Rates Paid by Life Companies to Slump Further at Year End

AFFECTS HUGE SUM

Millions of Dollars Placed With Companies in Recent Years on 5% Basis to Feel Pinch

By 1935, few if any Canadian life insurance companies will still pay their policyholders 5 per cent for moneys left on deposit, The Financial Post learns. Rates as low as 3½ per cent may even be introduced if the present trend toward lower interest rates continues.

This development has gained momentum in the past few months and is of vital interest to all life insurance policyholders—both present and potential.

Breaks Established Practice

The reason is that for the past decade leading Canadian companies have maintained an even rate of 5 per cent or better which they allowed to policyholders who left dividends or life insurance proceeds and maturities on deposit with their company. Thus it is safe to say that the majority of life insurance estates where proceeds were to be left on deposit with the company, have been built up on this basis.

True life companies were never allowed to guarantee 5 per cent—most companies guaranteed 3½ per cent—but the majority of life underwriters made their sales talk on the 5 per cent basis and used as their argument the record of their company in always maintaining the 5 per cent rate in actual practice.

Picture Changing Rapidly

The picture has changed very rapidly — particularly with the larger Canadian companies. High-grade bond yields are at the lowest point in twenty years in Canada and the decline which started at the beginning of 1932 in Canada has kept on steadily ever since.

Small Companies Have Advantage

Under such conditions, large insurance companies particularly, find it difficult if not impossible to maintain the interest rates they were able to quote a year or two ago. The same argument applies, of course, to premium rates generally and to annuity rates particularly.

Smaller companies which have not such large sums of money to invest, do not find the pressure so great, and it is to be expected that many of these companies may be able for some time to find an outlet for their funds at reasonably profitable levels. Eventually, of course, they would feel the pinch if the present trend toward lower interest rates continued for any length of time.

One important feature of life insurance practice is important, namely that the rate which life companies pay their policyholders is almost always better than the rate that could be obtained on the highest grade of investments. This is clearly indicated in the chart on page 13 which compares the actual rate paid by Canada Life Assurance Co., since policy proceeds have been accepted by the company in this manner, with the yield on Dominion Government bonds.

Except for the abnormal war years it will be noted that the policyholder who left his money with the company received in every year except 1929, a better return than he could have obtained on Dominion of Canada bonds. That still holds true today in spite of the half-yearly reductions in rate made by this particular company in the past year. In addition to this advantage in yield and the best possible security, policyholders are freed from the worry of keeping their fund invested profitably, year in and year out.

A check-up by the Financial Post as to what practice would be followed by Canadian life companies in regard to interest rates, revealed plans for almost complete unanimity in abandoning the 5 per cent rate for 1935 if this had not already been done. Only one company indicated their intention to stick to the 5 per cent rate if possible next year. In this case it was pointed out that only a small amount of policy-

(Continued on page 13)

Week's Figures Feature Gains In Retail Sales

Retail sales recorded a 3 per cent gain in August over the previous month, the gain being against the usual seasonal trend, and the total was 2.3 per cent higher than that for August a year ago. Boots and shoes, clothing and hardware were the only group to decline from July, while furniture and radios recorded the most impressive gains.

		August, '34	—Change— From prev. period %	From prev. year %
Monthly:				
Retail sales, index		65.8	+3.1	+2.3
Auto financing*	No.	7,462	—10.9	+56.0
	$	2,865,790	—19.9	+58.3
Footwear prod.,	prs.	1,886,183	+42.0	—16.0
Weekly:†				
Car loadings ..	No.	50,547	—2.0	—1.3
Cattle sales ...	No.	20,328	+21.6	+41.0
Hog sales	No.	14,008	+11.2	—22.2

*Used and new vehicles.
†Weeks ended Sept. 29, Oct. 4 and 4, respectively.

—Drawn for The Financial Post by R. Kaell.

LEAVING THE BABY ON THE DOORSTEP

TWO FACTIONS SEEKING BONDS CAN. TERMINALS

Rival Groups After Control Big Toronto Warehouse

PLAN REORGANIZATION

Reputed to have control of over 50 per cent of the bonds of the Canadian Rail and Harbour Terminals an American bondholders' protective committee has drawn up a plan of reorganization for the Toronto company. Following sharply declining earnings the company defaulted on its first mortgage bond interest last March and this fact together with the belief that steady or improved earnings are now in prospect has brought the question of reorganization to the front. Two groups are asking bondholders to deposit securities.

Contrary to the Canadian bondholders' committee which so far has only called for the senior issue, the proposal of the American group provides for all three classes of bondholders only leaving out of the picture the preferred and common stock.

Proposal to Bondholders

It is proposed by the U. S. group to form a new company with an authorized capital of $3,961,000 of 20-year first mortgage, five per cent income bonds and 25,610 shares of no par value common stock. These securities would be exchanged for the present holdings on the following basis:

For each $1,000, 6½ per cent first mortgage bond, due March 1, 1951, one $1,000 first mortgage 20-year five per cent income bond and six shares of new n.p.v. common stock.

For each $1,000, seven per cent mortgage sinking fund bond due Dec. 1, 1945, one $200 first mortgage 20-year five per cent income bond and two shares of the common stock.

For each $1,000 30-year seven per cent debenture—one $200 first mortgage 20-year five per cent income bond and two shares of the common stock.

Smaller denomination bonds or debentures to be treated in the same proportions.

Holds Voting Shares

The common voting shares, however, are to be held by voting trustees selected by the committee under a voting trust agreement prescribing their powers and duties, for a period of 10 years or less, to be determined by the trustees or by action of not less than two-thirds of the holders of the common shares. If, at the expiration of 10 years, 50 per cent of the bonds have not been retired the voting trust agreement may be extended another 10 years. Thus, while the plan would give the voting stock to bondholders, others could do the voting.

It is further provided that compensation of officers and directors of the company shall not exceed $25,000 per year. After payment of interest on the new bonds at the rate of five per cent and the provisions of a determined amount of working capital, 50 per cent of the net earnings shall be available for sinking fund requirements. Power of settlement with any other committee of bondholders is another provision of the plan.

Committee Unknown

Little seems to be known about the American committee except that the lawyer representing the same is understood to have made an investigation of the company some weeks before the first circulars were sent to known bondholders last July. In the prospectus mailed this week the members of the committee are given as follows:

Ralph W. Hemenway, formerly of Coolidge & Hemenway, Northamp-

(Continued on page 2, col. 4)

ASSOC. CANNERS SHOULD BENEFIT BY SMALL PACK

Much Smaller Loss Seen For Whittall Can Subsidiary

ABSORB CARRY-OVER

While not expecting to get entirely clear of the deficits which have been the rule since 1931 a substantially better showing is now expected by Associated Quality Canners, The Financial Post is informed. The company is controlled by Whittall Can Co.

For the year ended Feb. 28, 1934, Quality Canners, after depreciation, had a loss of $383,609. This was down from the deficit of $453,705 in 1933 and down again from $606,836 reported in 1932, which was a bad year for all canning companies. In 1931 the loss was but $8,643, though this was quite a change from the profit of $193,363 in 1930 and a still larger one the year previous.

Big Improvement

With only seven months of the present fiscal year elapsed, it is impossible to get anything but a very approximate idea of the situation, but from sources close to the company The Post is informed that last year's deficit should be reduced from 50 to 75 per cent. Moreover, if nothing unusual happens a fair chance of getting away to a fresh earning start is anticipated for the next year.

Much of the credit for the present improved situation is given to natural conditions. Practically every type of canning crop this season is or will be light. In the few instances where returns have been anything like normal, it is stated that shortages in other lines will more than offset any gain so that the net result will be a materially curtailed supply of canned goods and the prospect of everything being cleaned up well in advance of the 1935 canning season.

Traces to 1932

Much of the trouble for Associated Canners, as well as other companies in the same line traces back to 1932 when an unusually large pack of all canned goods, and especially tomatoes, met a demand abnormally reduced because of the depression. Prices fell rapidly to a point below the cost of production, but despite the sacrifice, large supplies of all goods were carried over into the next season.

Expect Clean up

With a small pack of canned goods this fall and with prices already rising and some prospect of export to United States, inventories have changed from a source of worry to mild interest, especially since, it is stated, there are not sufficient supplies of canned goods in sight, either from the new pack or the carryover, to more than carry the country through to another season. The Post is informed that a few lines of the new pack are already sold out.

In the United States, canning crops are still shorter than in Canada in most sections and prices have risen more quickly. In a certain line, notably peas, the point has almost been reached where the 50 per cent duty will no longer prove a barrier while there is some talk of the tariff on food products being lowered.

Whittall Can Connection

With 58,335 of the 82,615 common shares outstanding and all bonds owned by the Whittall Can Co., naturally operations of Associated Canners have an important bearing on earnings of the other company. For the year ended Feb. 28, 1934, Whittall Can assumed $287,800 of the Associated Quality deficit and $389,200 in 1933. This loss in 1934 wiped out the $99,833 carried forward as surplus from the operations of the parent company and reduced the previous surplus carried forward of $229,701 to $41,734.

Highlights of the week

Constitutional Issue

Critical issues face the premiers' conference on the B.N.A. Act. Rights of provinces are post-war phenomena. Difficulties of amendment, history of constitutional squabbles and what the premiers must decide. Page 9

Boss of 60,000

D. C. Coleman, new senior vice-president of the C.P.R., will have charge of a world-wide organization of 60,000 men. His seemingly contradictory characteristics portrayed in an intimate picture. Page 3

Factory Mutuals

New England factory mutual insurance companies will soon get Dominion insurance licenses. With $500,000,000 in Canadian risks, the group will have national licenses for the first time in 50 years. Page 13

Insurance Changes

Arthur B. Wood, president of the Sun Life Assurance Co. of Canada, tells why he favors higher rates and a charge for cash surrenders of policies. Page 13

Money Talks

Improving volume of Canadian corporation dividend payments shows that money says business is better. The record of Canadian companies this year. Page 8

Cheap Money

Views of Graham F. Towers on credit control reveal that the Bank of Canada may follow an easy money policy in its initial stages. Page 4

Copper Outlook

Higher prices for copper seem distant. Canadian mines, however, are in a comparatively favorable position because of low costs. Page 16

Western Recovery

Amazing ability of westerners to withstand adversity demonstrated in recovery of prairie buying power. A special Post survey. Page 7

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PRICE ADVANCE IN NEWSPRINT FADING OUT

St. Lawrence Paper Mills Put Crimp in Plans

PRICE MAINTENANCE

Indications Are That Operators Will Seek to Hold Status — Matters Unsettled

From Our Own Correspondent

MONTREAL. — Uncertainty continues to exist as to what the price of newsprint will be on 1935 deliveries. This is a matter of importance to Canadian manufacturers as an increase will offset advanced production costs, while a continuation of the present price schedule will result in further operating losses for many companies. A downward adjustment of prices is not contemplated, but is a possibility that cannot be overlooked until the present situation has been straightened away.

A number of the larger manufacturing companies had in mind an upward revision in newsprint prices for their 1935 marketing policy, but the action of St. Lawrence Paper Mills in making a commitment for next year's deliveries at an unknown price—but said not to be above the present level—has upset calculations.

Says Price Stabilized

This exclusive announcement of The Financial Post was coincident with a statement made by W. G. Chandler, of the Scripps-Howard newspapers and chairman of the newsprint committee of the American Newspaper Publishers' Association, that the price of newsprint for 1935 had been stabilized at the present figure of $40 a ton for New York and Chicago deliveries. As the company Mr. Chandler represents is reported to be one which St. Lawrence Paper Mills made a commitment, it is presumed that his statement was made having in mind the new contracts.

In the matter of price, International Paper also has informed its customers that the discount given on contracts, as has been in effect since the beginning of the year, will be continued throughout this month.

Hold Several Meetings

During the past week a number of meetings have been held by Canadian manufacturers to discuss the marketing situation and while The Financial Post understands there was no definite outcome, the situation is far from being clear.

Over the past year there has been a gradual rise in the cost of materials and labor entering into the manufacture of newsprint. Many of the major producers, both in Canada and the United States, have felt that an upward revision of prices was justified in order to offset these increasing costs.

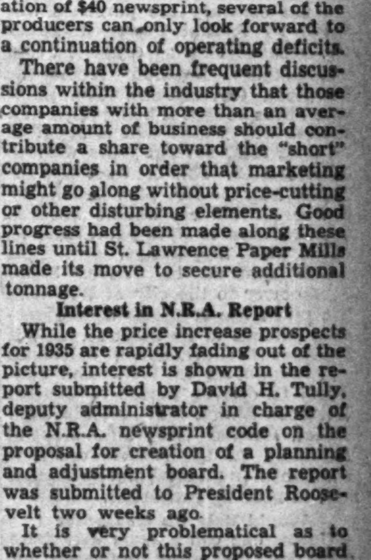
In the event that price schedules remain unchanged over the next twelve months, the situation does not hold out any particular promise of orderly marketing unless those companies short of newsprint tonnage are placed in a stronger position. In other words, operating at the present level and with a continuation of $40 newsprint, several of the producers can only look forward to a continuation of operating deficits.

There have been frequent discussions within the industry that those companies with more than an average amount of business should contribute a share toward the "short" companies in order that marketing might go along without price-cutting or other disturbing elements. Good progress had been made along these lines until St. Lawrence Paper Mills made its move to secure additional tonnage.

Interest in N.R.A. Report

While the price increase prospects for 1935 are rapidly fading out of the picture, interest is shown in the report submitted by David H. Tully, deputy administrator in charge of the N.R.A. newsprint code on the proposal for creation of a planning and adjustment board. The report was submitted to President Roosevelt two weeks ago.

It is very problematical as to whether or not this proposed board will ever come into being. If sanctioned by the N.R.A. then the manufacturers would have a fair hope for a price increase next year, but it now appears that both the American and Canadian manufacturers will have little success in securing a better price on next year's deliveries.



Fourth consecutive weekly decline in the wholesale price index of the Dominion Bureau of Statistics was recorded in the week ended October 5, the index standing at 71.2

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THE ROYAL BANK OF CANADA

CONSOLIDATION PLANS 'PEG ELECTRIC GROUP MAY DISAPPOINT SOME

(Continued from page 1)

On the contrary the purchase was made by Abitibi Power & Paper Co. because only so could it avoid considerable taxation from the Manitoba Government. The pulpwood thus bought is being piled in a special way which will allow it to be used after several years without deterioration. This contract was for 20,000 horsepower plus secondary power for electric boilers but has been reduced to what plant actually needs while inoperative.

The contract to deliver 30,000 horsepower to the city of Winnipeg has given the company a considerable amount of its revenue. But it provides for decreasing deliveries and terminates in 1937. The contracts to deliver power to Central Manitoba Mines, San Antonio Gold Mines, Gunnar Gold Mine depend naturally on the success of these companies in maintaining operations and of near-by properties.

Would Rely On Guarantee

Unless one can assume that there will be increasing demand for power in the district around Winnipeg—and at the moment there is no reason to hope for it—it is apparent that after 1937 the rate of interest on these bonds will not be earned after deducting a minimum rate for depreciation. Up to date earnings have not provided sufficient depreciation. In 1937 or thereafter Manitoba Power would have to fall back on the Winnipeg Electric guarantee. That is the situation which has to be considered rather than the actual earnings of Manitoba Power to the end of 1933.

The stress in the Winnipeg Electric situation turns on its guarantees of bonds of subsidiaries. These guarantees are junior to the bonds. The power that Winnipeg Electric Co. developed at Pinawa Falls under the old Government lease was intended to be transferred to Northwestern Power. It should have been transferred on terms that would give compensation to Winnipeg Electric. Eventually it was decided to have Northwestern develop Seven Sisters Power and the change was good from an engineering point of view and Northwestern bondholders were innocent parties to it. The Winnipeg Electric bondholders have a legitimate grievance against the company for the failure to protect them.

First W. E. Bonds Safe

The $3,000,000 outstanding 5 per cent first refunding bonds due January 2, 1935, can apparently be refunded without any difficulty as they are first-class investments.

The Manitoba Power bonds have had sinking fund operative but it has been really no advantage if it eventually depends on the Winnipeg Electric guarantee. It would in such case actually have been better for holders if the money had been used to reduce the Winnipeg Electric bonds which come ahead of them.

The Northwestern Power Co. has a newer plant than any of the others and power lines into Winnipeg. Its difficulty has been the lack of market. Yet it asks for special consideration for the bonds even though their guarantee is junior to the Winnipeg Electric bonds. The reason is that if Northwestern starts to paddle its own canoe it would have to liquidate the Winnipeg Electric Co. The first result of that would be disaster to the whole power business in the province. The receiver for the Northwestern Co. would be obliged to offer power at a very low rate in order to get revenue to pay carrying charges and they would not get revenue enough to pay interest on the bonds.

Bourget Twp. Authorized to Pay 1933 Coupons

Township of Bourget, Que., has been authorized by the Quebec Municipal Commission to pay interest for September, 1933, on bonds issued under by-law 17 and for December, 1933, on bonds issued under by-law 15.

Creditors holding past due bonds bearing no coupons have been asked to register with Ed. Gauthier, La Decharge, Que., so that cheques may be sent covering interest.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Calgary Brew.	5½%	1942	Nov. 1	105
Northern Electric	5%	1939	Dec. 1	105
Riordon Pulp‡	6%	1942	Dec. 31	105
Metropolitan Bldg.*	7%	1944	Jan. 15	103½

‡ Purchase of bonds for sinking fund. † $74,600. * $27,700.

The Nation's Business

(Continued from page 1)

abandoning the almost universal fallacy that what the world requires is a restriction of production of all products and articles, or at least a fixation of production at not above the present level.

In the 30-hour week proposal, as in so many other quick cures offered for the depression, long-term reform and emergency measures for recovery have become confused.

If a 30-hour week is not feasible in the United States it is dangerous and absurd for Canada. What do our farmers, our fishermen, our miners, our professional classes, our housewives, think of a plan to increase the costs of the things they buy without any increase in the buying power of the chief markets in which they sell their goods and services?

* * *

Making Mortgage Money Available

MORTGAGE money is being offered in Eastern Canada at 5½ per cent. But lending institutions have to pay more attention now to the personal covenant on the note than to value of the property pledged as security. They can loan only to people who will pay whether there are provincial mortgage moratoria or not.

If provincial governments remove many of the obstacles to mortgage lending now in existence there will be plenty of money available at 5 and 6 per cent. There will be money even for farm loans in Western Canada. If moratoria and various prior lien legislation continue there will be little money available at any price.

It is up to the governments.

* * *

Competition In Favor Again

THE idea that it is necessary to eliminate competition entirely in order to curb unfair competition has been decisively disproved by the experience with the N. R. A. Donald Richberg, general counsel for N.R.A., says:

"The N. R. A. has been worth its cost in that it has conclusively proved to industry the infeasibility of eliminating competition. Only a great practical disillusionment could establish that fact completely."

The statement might well be taken to heart in Canada. With our farm marketing schemes and in the speeches of Hon. H. H. Stevens there is inherent the idea that competition is not the life of trade but the death of trade and ought to be banished from the kingdom of production and merchandising.

The United States having paid the price necessary to obtain the "great practical disillusionment" on the point, we in Canada ought to avoid the expense of learning the lesson ourselves, by taking heed of the results in that country.

Around the Corner —What Lurks There?

GOLD touched a new high at 142 shillings and ninepence per oz. in London this week. At the same time the pound sterling sold down in New York to $4.89.

A year ago it was freely forecast in London that the pound might go to $5.75 or $6 against the United States dollar. This forecast was based on the expectation that inflation might run uncontrolled in the United States and that Britain might continue to play an exceedingly conservative monetary game in co-operation with France and other gold standard countries. But the forecast ignored the fact that Britain had no intention of permitting American exporters to win in a war of currency depreciation.

* * *

THE Americans revalued gold. and did it overnight. Britain is now revaluing gold but doing it more slowly. London may not stop short of 150 shillings per ounce. Washington may conceivably reply by putting its price for gold at $41.34, the limit of the dollar devaluation permitted to Roosevelt under present legislation. The gold block countries could hardly stand such pressure. They too would probably be forced either to abandon gold or alternatively to write down their currencies.

Investors the world over would lose. Governments would gain the temporary immediate advantage. A higher price for gold means an effective confiscation of capital.

Prices would have to rise but the rise would not necessarily be a real one; it would be a decline in the value of money more than an increase in the price of goods.

* * *

THE present indications of competitive depreciation of money are not reassuring. It is, however, possible that a revival of currency chaos might arouse public opinion in all leading countries to demand some international stabilization.

The real barriers to recovery are deeper rooted. They lie in governmental "controls" on the free play of enterprise and initiative. Without a turn of the tide from tariffs, quotas, "restrictions" and "planning," without a restoration of enterprise and confidence, tampering with money is not going to bring us much nearer to world recovery. What the world needs is trade; trade means jobs.

One cannot say what is just around the corner for the economic world. There may be financial panic; there may be an inflationary boom; there may be war. The indications are not very bright that what is around the corner is a reasonable degree of economic sanity.

INTEREST RATES WILL COME DOWN SAYS F. A. ROLPH

Imperial Bank President Says It Is Only Way to Pay

From Our Own Correspondent

VANCOUVER.—One of those who believes that lower interest rates for Canadian indebtedness are inevitable is Frank A. Rolph, president of the Imperial Bank of Canada, who in an interview here during his visit to the coast expressed his views on some of the country's financial problems.

"Public debt interest rates are going down at present," said Mr. Rolph. "The Dominion Government's refunding loan now being sold is indication enough. They will be lower for a good many years. It has to be; it's the only way people will ever be able to meet the interest. They can't pay the rates of the past.

Taxes Too Burdensome

"Taxation is too much of a burden both on interests and people. In any case the people have to pay in the end. We all have to do our part in bringing about this reduction.

"There is no good reason why interest rates cannot be reduced within reason, but, of course, it must be done through action by the Government. We will co-operate to reduce rates so long as it is done on a basis equitable to everybody.

"Yes, I think the reduction in interest will be reflected right through provincial and municipal finance. Ontario has made a start. Of course, provinces and municipalities will not be able to finance at as low a rate as does the Dominion. Remember, money is only a commodity and it's just a question of supply and demand.

"Canadian banks have money today for enterprise where enterprise is justified in coming into existence.

Gold and Silver

"It looks as if the present prices of gold will be maintained for some time. But, again, gold is a commodity. Remember this, too: Canada plays only a small part in determining the price of gold. That is controlled by world finance.

"The future of silver? Well, frankly, I don't know enough about it to tell you. There again you have a world condition in which Canada of herself can do little. The Lord only knows what United States will do. Perhaps they don't know themselves. We can only hope they do!

Central Bank

"Central bank? We're going to co-operate with the central bank so far as we possibly can but we've said from the outset that we don't see the necessity of it from a banking standpoint. The finance department was actually carrying out the same functions. However, this is a new department of the Government we must deal with and we are going to co-operate to the best of our ability. Certainly, they have been fortunate in their choice of a governor. Graham Towers is a Canadian who has proved his worth."

ROEBUCK COMPANY UNDER DREW'S FIRE RE HEAVY LOSSES

Investment Trust Merged With Another Company in 1932

Diversified Investment Trust, of which Hon. A. W. Roebuck was president at the time of formation in 1928 and which Colonel Drew says should be investigated because of heavy loss to investors, was a Dominion Company which merged with Research Investment Trust in 1932 to form National Research Investments on an exchange for shares plan. Since that time, Hon. A. W. Roebuck states, he has not been connected with the company.

A consultation of Financial Post files shows that Everard E. Ott & Co. were the trust managers and that G. Garrett de More (Gary Moore) was analyst and statistician. The stock was sold on the ground that it would be managed after British investment trust methods with diversification of investments as a protection to investors. The legal work was evidently done by Messrs. Roebuck and Newson, and the former was president and the latter a director. All sales literature emphasized the safety of this type of investment and the shares originally bought had a good standing on the stock markets of the boom period.

At first the company was successful. The president's address on Oct. 15, 1929, showed it possessed funds amounting to $220,495. It had 447 shareholders. It invested the money in 88 securities described as "preferred and common shares of the largest and soundest corporations in America." It paid three dividends on preferred stock and one on common.

Then came the depression and in 1933 a statement of the company showed the investments of this company and of National Research Investments together in the merged companies down to $29,600 and the liabilities at $1,021. The reserve for depreciation of securities was shown at $14,360. The 39,552 shares issued out of a total of 100,000 shares authorized were carried in the balance sheet at $15,072.

WESTINGHOUSE SALES HIGHER BY ONE-THIRD

Improvement Centred in Sales of Domestic Appliances

MINE BOOMS HELP

Sales of Canadian Westinghouse Co. have been one-third higher so far this year than in the same period of 1933, according to a recent statement of N. S. Braden, vice-president of the company, who has been touring western Canada on business.

It is understood that the improvement has been particularly apparent in sales of domestic appliances, such as stoves, radios, refrigerators and so on. Popularity of short wave receivers is said to have revived the formerly flagging radio market.

Mining Helps

Sales of the company's heavy foundry and apparatus division which supplies air-brakes, motors, generators and other industrial and mining machinery are reported to have enjoyed less improvement than the appliance division. The company's sales of mining machinery, however, are understood to have enjoyed direct benefits from the various mining booms that have been in progress in Canada.

Increased sales of domestic appliances are expected to have a favorable effect on earnings this year. The chances of higher earnings, however, would be more improved by revival of industrial demand for capital equipment of the type manufactured by the apparatus division.

Earnings Figures

Comparative earnings in the last two years have been:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1933 $	1932 $
Net earnings	744,963	1,021,331
Less: Depreciation	190,000	205,000
Dom. taxes	50,000	60,000
Pension fund	35,000	50,000
Net profit	469,963	706,331
Less: Com. divds.	1,080,000	1,080,000
Deficit for year	610,037	373,669
Add: Prev. surplus	7,554,624	7,953,437
Surplus fund	6,944,587	*7,554,624

* Including 1930 tax adjustment.

The 1933 net profits amounted to 87 cents a share on the 540,000 shares of no par value stock outstanding. This compares with $1.31 in 1932 and $3.41 in 1931.

Stock Selling at $50

Dividends have been paid at $2 a share annually for 1932, 1933 and 1934. In 1930 and 1931 a bonus of $1 a share was paid on the present stock. The former $100 shares were divided one for six into no par value shares in 1929. The stock is not listed, but is quoted around $50 a share by over-the-counter dealers, compared with about $48 six months ago and $37 a year ago.

TWO FACTIONS SEEKING BONDS CAN. TERMINALS

(Continued from page 1)

ton, Mass. (the late U. S. President Calvin Coolidge was the senior partner); Chas. Gerrie, Winnipeg; E. Harold DeNoyelles, president of M. & L. Hess, Inc., New York, and at one time vice-president and treasurer of 430 Amsterdam Corp.; secretary, Robt. T. Crouch, once a director of the New National Oil Co., New York. The depositary for the bonds is the Chemical Bank & Trust Co., New York and the counsel, Elmer W. Maher, New York, and Tupper, Hamilton, Adams, McDonald and Campbell, Winnipeg.

Some Scepticism

The claim of the American committee to hold half of the senior bonds is regarded with scepticism in some Canadian financial circles, and an enquiry regarding this point wired to the secretary of the committee at New York by The Financial Post this week was unanswered. So far neither the Canadian nor the American committees seem to have made any move to get together.

Canadian Suggestions

No plan has been suggested by the Canadian bondholders' committee which consists of, Rt. Hon. Arthur Meighen, Sir Henry Drayton and R. V. LeSuer with M. W. McCutcheon as secretary. It is understood, however, that if this committee which seeks very broad powers, does get control of 85 per cent of the first mortgage bonds, a plan would be presented. This, it is believed, would entail foreclosure and sale of the property at a price within the face value of the $3,500,000 first mortgage and the raising of sufficient money to pay off the 15 per cent or less of the bonds not turned in. The percentage of deposits aimed at is considered unusually high and some observers think its attainment by one committee is improbable.

Because of the necessity of borrowing capital to balance the bonds not turned in, the Canadian committee is anxious to get practically the whole of the bond issue deposited. Progress, however, has been slow. Though in existence for some months, only about $900,000 or barely 25 per cent of the bonds have been deposited with them, it is understood, of which about $500,000 have been received from Great Britain.

It is claimed that the Canadian committee, the members of which are not supposed to be bondholders at all, was appointed at the instance of large holders of the bonds. Being located in the same city as the property and the receiver, the members consider themselves in a better position to deal with the situation than the New York committee. The members of the Canadian group, it has been pointed out, too, enjoy the added advantage of being well known to the Canadian public. Unfortunately for them, however, apparently a very large proportion of the bonds were sold outside the country, and while the response from holders in Great Britain has been considered satisfactory, there has been no great rush to deposit bonds with them from United States.

First Mortgage Only

Members of the Canadian committee, The Post understands, have no hopes of saving anything except for holders of the 6½ per cent first mortgage bonds. They do not think that the property is capable either under present or immediate future conditions of earning much more than the interest on the $3,500,000 worth of these bonds. It is intimated that the whole scheme was over ambitious even in the palmy days of 1926-29, and that with the competition of that time, there was little hope except in the rapid growth of Toronto.

Though there has been no definite plan suggested, about all that seems to be hoped for is a new reorganization with the first mortgage holders the sole owners, and the acceptance for some time at least of a reduced rate of interest on these bonds. Moreover there would have to be some concession for the providers of the liquid capital to pay off the dissenting bondholders to any scheme proposed, and this provision, probably in the form of a new first lien, it is understood, would probably come before the wants of the present first mortgage holders.

Propose Third Committee

In the absence of a definite plan by the Canadian committee and no certain knowledge as to what interests are actually behind either of the two groups, there have been suggestions, The Post is informed, to appoint a third committee from among the security holders themselves and endeavor to form some sort of a reorganization. The company has now been in default since last March on the first mortgage bonds and since 1931 on the other two issues. The first mortgage bonds are currently quoted at 18 to 20 per cent of the face value. They were originally offered at par by White, Weld & Co., of New York. The seven per cent bonds were first publicly offered in April, 1926, by Municipal Bankers Sales Corp., Ltd., Toronto, Edward Seymour & Co., Inc., New York; Mackie, Hentz and Co., Philadelphia, and syndicate, at par and interest, with a bonus of 5 shares of common stock (voting trust certificates) for each $1,000 bond.

Steady Losses

Not since the company commenced operations in 1928 has the total annual bond interest of $388,850 been covered and only three times in the six years has the operating profit exceeded the annual requirements of $227,500 on the 6½ per cent first mortgage bonds. In 1930, the peak year of the company, profits totalled $358,604. In 1931 they were down to $289,942 and in 1932 down again to $221,906. By 1933, they were down to $156,187. While official figures for the first eight months of the current year are not available, The Post understands that the long decline appears to be halted and the company hopes to show an operating profit of about the same as in 1933, which incidentally was less than half of the total interest requirements on the three types of bonds.

Competition

Extreme competition is blamed for the steadily declining income of the company in the last few years. Vacant buildings have been rented at low rates, in some cases for periods of five years, by interests which formerly contracted for space in the regular warehouses, it is claimed, while cool cellars scattered all over Toronto have been used instead of cold storage space. In addition, the government-financed cold storage plants erected at various points in Ontario primarily for the storage of fruit and vegetables, have also cut into the general business. Further competition is foreseen when the new Loblaw cold storage plant for the accommodation of meats, fruits, etc., sold in the new combination markets-groceterias, is completed in Toronto in a few weeks.

THINK ACTION WILL DEVELOP ON MORTGAGES

(Continued from page 1)

the practice has been to loan at an advance of 1½ per cent.

The Board began operations in 1929-30 when it sold $5,000,000 of bonds to the treasury at 5 per cent. Later on further sales were made to the treasury and these moneys, together with funds received in stock purchases by borrowers and by the provincial and the Dominion government,* together with annual collections, have brought the total of the Board's loans to more than $10,000,000. All of this is now outstanding at 6½ per cent, and there is said to be no intention of disturbing the rate on loans already in force.

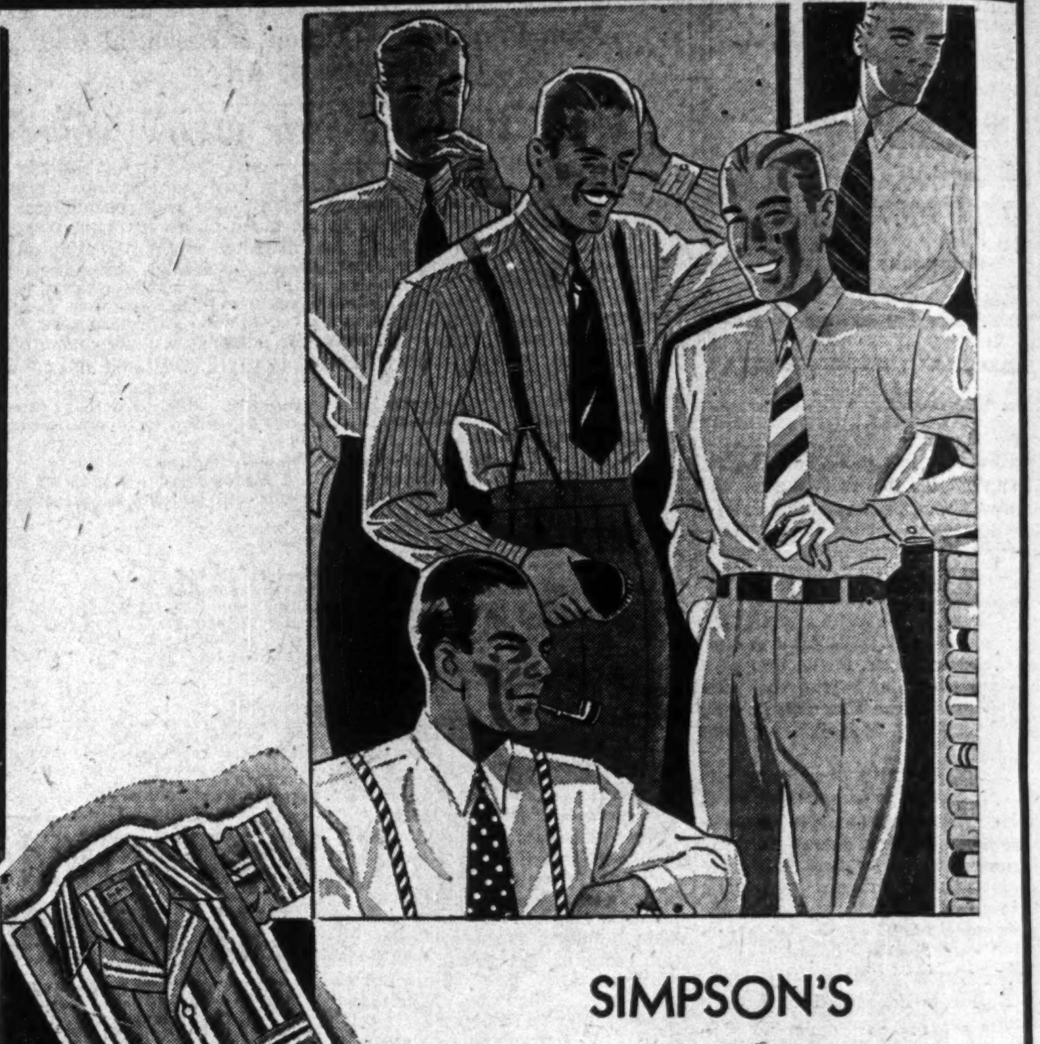
New Fund $10,000,000

But now the treasury will buy up to $10,000,000 of Farm Loan bonds (in $100,000 lots) at 4 per cent interest. The usual spread would indicate a rate to farmer borrowers of 5½ per cent.

Partner with the people of Canada for 116 years.

TOTAL ASSETS IN EXCESS OF $700,000,000

BANK OF MONTREAL
Established 1817



SIMPSON'S

"Royal" Shirts and Pyjamas

Are Becoming the Talk of the Town!

Shirts, 1.95 **Pyjamas, 2.95**

Word of the "Royal" line is spreading around the town in amazing fashion. We have told you it was one of the greatest values in the history of the Store for Men. Many are already finding that out and buying all they need while the quantity lasts. We can tell you that these are of "100-count yarn" broadcloth, but it means much more when you see the fabric yourself and feel its lustrous texture. It was a merchandising master-stroke to secure the 2 x 2 ply broadcloth, because materials made from similar yarns have hitherto been confined to shirts selling at 3.50 and more!

NOTE THESE HIGHLIGHTS:

- Woven in Lancashire
- Tailored in Canada
- Over 50 designs and white
- Every shirt form-fitting
- 88,500 yards of the yarn in this broadcloth weighs only one pound
- Rigmel shrunk — one of the best shrinking processes known
- 2 collars to match or collar attached

Simpsons—Street Floor.

THE ROBERT SIMPSON COMPANY LIMITED

Metal Prices

New York—Oct. 9—
Copper: Electrolytic spot and future, 9c.
Silver: 50¾c.

London—Oct. 9—
(Long Ton)—
Copper: Electrolytic spot, £28 10s; future, £29 10s. Standard spot, £25 15s; future, £26 2s 6d.
Tin: Spot, £230 17s 6d; future, £228 12s 6d.
Lead: Spot, £10 2s 6d; future, £10 7s 6d.
Zinc: Spot, £12; future, £12 2s 6d.
Silver: 23¼d. per ounce.
Gold: 142s 9d.

Canada—Oct. 9—
Gold: $34.25.

The Modern Trust Company is Always Available

"Men may come and men may go but I go on forever."
Tennyson.

CROWN TRUST COMPANY EXECUTORS TRUSTEES AGENTS

A Conservative Trust Company for the Public's Service.

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393 St. James Street, Montreal

New Canadian Pacific Executive Called Study in Contradictions

An Intimate Sketch of D. C. Coleman, Now Senior Vice-President of World's Greatest Travel System

By R. G. HENNESSEY

He looks more like a university president than the popular conception of a railroader, yet he is the senior operating official of the world's greatest railway and shipping system.

He is called reserved, but he has more solid personal contacts and better friends than most men acquire in a lifetime.

He is methodical and precise, yet lesser men wonder at the speed and accuracy of his judgments.

He is spare of frame and almost hesitant in manner, with a cold nerve that has carried him to the top in one of the world's most exacting professions, yet it is common knowledge that he would give his shirt to help the man who lacked one.

Few Illusions

He knows men and has few illusions about the human race. Externals don't fool him for a minute, but he is a shining mark for a hard luck story and his cheque book is always within easy reach when he hears one.

He apparently looks on life with an ultra-serious mien, but his quiet sense of humor is a thing of joy to those observing enough to behold it.

He hates to talk in public but can make a better speech and say more in a few hundred words than most orators can in a few thousand.

Out west they call D. C. Coleman the "big little man." This amazing study in contradiction commands, without demanding, respect from thousands of railway workers, from section hands to the brass hats of officialdom.

He has just become, at 55, senior vice-president of the Canadian Pacific Railway.

Look Beyond "Record"

One may "look at the record" of D. C. Coleman's swift but steady climb from obscurity into the national picture without really finding out what it is all about. Because the record, while it is a bald recital of efficiency and hard work, does not show the qualities of heart and mind and the driving force that determined whether the man should be a good clerk or a good executive.

D. C. Coleman's story is not patterned on the Horatio Alger model, nor is it the story of influence, undue luck or anything of that sort. If he got any particular "break," it was because he came to the west just before the great expansion period when a good man could get along.

Born in Ontario

The record shows that Coleman was born in Carleton Place, Ontario, on July 9, 1879. He comes of good Canadian stock, not wealthy, and is one of six brothers, all of whom have been successful as this world counts success.

He received a good high school education at Arnprior, Ontario, fiddled with the usual jobs that fall to the lot of the average young Canadian feeling his way about in the world for the first time and without special advantages, and at 20 joined the Canadian Pacific Railway as a clerk at Fort William. From that time he was on his way, and he apparently knew where he was going.

In its successive stages his career has followed the pattern of the average railway worker, but he went farther and faster than most men do. In 1918, less than 20 years after turning his face to the west, he became vice-president of western lines and commanded the vast railway territory that stretched from the Great Lakes to the Pacific Coast. At 55, at the height of his powers, he becomes vice-president of a system that reaches around the world.

Singleness of Purpose

So much for the record, which may tell the story but which does not explain it. For, of course, the explanation lies in the personality of the man himself as it has with men who have made their mark, from time immemorial.

In the first place a singleness of purpose shows throughout D. C. Coleman's career. When he started he placed railroading before all other callings, and placed the Canadian Pacific before all other railroads. There it has remained, and his devotion to the welfare of his company, which would almost be called fanaticism in a man of more volatile character, is astounding.

It was something much more than a job that he took on in Fort William back in 1899. To D. C. Coleman the Canadian Pacific Railway has always been a vital, living thing, and he has been loyal to it. He could no more understand the absence of a similar complete loyalty in any employee of the company than he could forgive it.

Word is His Bond

Personal integrity and high moral courage have played their part in two ways. First with the public, as he came into increasingly close contact with the business world generally. D. C. Coleman's promise was as good as performance and it has always been accepted as such in Western Canada. He dislikes compromise or any form of shilly-shallying. When he thought he was right he went ahead—if he made mistakes he stood by them and took the responsibility.

Secondly with the men for whom he worked, with whom he worked, and those who worked for him—or, as he would have it, for the Company, the Company in his lexicon, always being spelled with a capital "C".

Surrounded by Efficiency

He knows men and has always surrounded himself with efficient helpers, or has made them efficient. He has that inexplicable quality common to most leaders to extract the best efforts from those beneath him. He wants things done well and done quickly, yet he charges his men with no irksome restrictions, instructions, warnings or admonitions. And he has never let a subordinate down.

It is easy to understand, consequently, the earnest desire on the part of his underlings to hit the ball as and when "D.C." wants it propelled, and to grasp the esprit de corps and efficiency of any unit that he has commanded, up to the vice-presidency of western lines. Failures have been few.

He's Boss of 60,000 Men

—Drawn by Evan Macdonald.

D. C. COLEMAN

Recently appointed senior vice-president of the Canadian Pacific Railway Co. to succeed the late Grant Hall. As operating chief of the world's greatest travel system, Mr. Coleman will be in charge of something like 60,000 men.

"You Embarrass Me"

An unofficial story goes to show the attitude taken by the rank and file. It seems that a few years ago a Winnipeg official, entrusted with a certain mission while the vice-president was out of his territory, managed to make a glorious botch of the whole business. Vice-presidential disapproval was certain, only the form which it would take being in any immediate doubt. The harassed official was soon relieved even of his doubt when he received a wire from D. C. Coleman saying: "You have embarrassed me very much."

Nothing more, but that was enough. The recipient, who would have snickered gently up his sleeve at the strident bellowings of the ordinary irate superior, clothed himself in sackcloth and ashes and mourned mightily. Letting the boss down when the boss is D. C. Coleman, is a thing that simply isn't done.

No Sectionalist

D. C. Coleman has always loved the west, but has regarded it with no feeling of sectionalism that will militate against his success in the larger sphere of Canada. The welfare of the Canadian Pacific, whether it lies in Montreal or Hong Kong, is too important in his eyes for that. Furthermore he is a good Canadian in the larger sense and a student of Canadian affairs.

He is a widely read man and the sum of his general and applied knowledge is amazing. His insight into the basic industries of Canada is a deep one, largely secured at first hand, primarily from the point of view of traffic needs and possibilities and the need of the basic industries for traffic facilities. Here he might be said to possess no more outstanding quality than the average railway official, who must know every inch of his territory and its possibilities and requirements. The only thing is the vastness of the territory and the fact that D. C. Coleman knows every foot of Western Canada's railway map as well as the section foreman knows his section of track.

Reads Canadiana

His "book knowledge" comes from as wide an array of literature as can be found in the best equipped of libraries, and ranges from the greater classics to the daily newspaper. Canadiana of all descriptions, from folk lore to current political history, has played a large part in his reading. He has never taken any active part in politics, by the way, in spite of his intimate view of the larger political questions. With all his love of good books, he is quite likely to be seen deeply immersed in the latest detective story or the gory chronicle of the "Murder on the Roof Garden."

It is far from likely that D. C. Coleman will ever be a wealthy man. Although there lies behind him no period of want or privation such as has become an almost stereotyped part of the usual success story, he does not care enough for money ever to amass any great amount. So far as he is personally concerned he looks on currency in its original form as counters, to be exchanged for the needs of the moment, or to be freely given to alleviate distress wherever he may find it.

Watches Pennies

It is another strange contradiction in his character, however, that financial acumen when the coffers of the Canadian Pacific Railway comes into the picture is one of his outstanding faculties. No penny of the railway's funds was ever wasted through his negligence or inattention to detail.

In his period of service as vice-president of the Canadian Pacific in the West, D. C. Coleman has passed successfully through some of the most trying times in the history of the company. First, the difficult post-war years of readjustment, when, as a young man, he first took over the reins of high office, and, more recently, in the five years of depression, when care fell heavily on executive shoulders.

Depression Years

The depression years were particularly difficult ones for men like Coleman. It is natural enough that a man who could inspire in his subordinates the affection and confidence that is accorded to him should hold his men in a similarly deep degard. Nothing hurt D. C. Coleman more than the staff lay-offs and unemployment that came with the lean years and, by the same token, no man has kept his courage higher through that hard period and none has been more gratified to see his confidence justified as the country beat its way back.

D. C. Coleman's record of public service, non-political, of course, has been an impressive one. It is doubtful, however, if he has given as much real care to a hundred "outside" activities as he has been given credit for. That singleness of purpose previously referred to was too intense for that, and the company always came first. Nevertheless, his name and prestige, and the never-failing cheque book have bolstered many a worthy cause through to success.

U. of M. Job

One item of public service which was particularly arduous, however, and which nothing less than the full capacities of this remarkable man could cope with, was forced on him a year or so before he left Winnipeg.

The University of Manitoba, beset by scandal, almost wrecked by suspicion that followed in the wake of a wholesale looting, needed a man to pull it together. D. C. Coleman was the man and, pushed into the forefront by popular demand, this quiet little man who cares little or nothing for public acclaim but much for the public weal, undertook one of the most arduous and thankless jobs of his career as chairman of the board of governors of the university. As usual he did a good job.

He is no social butterfly but he numbers his friends by the thousand and he could, if he wished, point to them in almost every walk of life. He has a quiet dignity that makes him distinguished in any gathering.

And with all this D. C. Coleman has kept an even keel, has remained an intensely human individual, a good husband, a good father and a good neighbor. If he has also had his human foibles and failings, they do not loom large enough to blur the general picture of a great Canadian.

Co-operative Societies Will Oppose Price-fixing

Opposition to any policy of price regulation because it would add more people to the distributive trades than are necessary to provide a satisfactory and economical service and thus reduce purchasing power of the consumer is contained in the executive report submitted to the 25th congress of the Co-operative Union of Canada, held recently in Toronto. The report appears over the signature of W. C. Good, Paris, Ont., president, and George Keen, Brantford, secretary.

Should any such policy be adopted, the report states, co-operatives in every province must see that, as in the United States, no code or price-fixing regulations shall debar co-operative societies from returning savings effected for their members.

It is contended that the organized co-operative movement in Canada is passing through the present period of economic stress with greater success than the private trade with which it is in competition and the majority of societies are able to show a net surplus.

Retail societies comprise the greater part of the membership. The retail societies had a 1933 membership of 10,100, an increase of 1,354 over the 27 societies reporting for last year. Total membership of reporting affiliated societies was placed at 10,497. Additional membership was made up as follows: Marketing, 50; dairy, 72; bus transportation, 275.

Wide Differences Shown In Salesmen's Car Costs

Method of Obtaining Average Cost for Various Mileages Explained — Costs Vary Inversely With Annual Mileage

Although Canadian companies adopt many different methods of giving their salesmen allowance for their automobiles, one of the most general methods is to fix the allowance at a certain amount per mile, this payment to include gas, oil, depreciation, repairs, etc. Just what constitutes a fair allowance has always been a matter of doubt, however, different firms fixing widely varying sums per mile.

In an effort to determine what constitutes a fair automobile allowance, both to the company and to the salesmen, Macdonald Brothers, Inc., management engineers of Boston, recently conducted a study which purports to set average cost of operation of light cars for various annual mileages. The data were compiled from the experience of a group of companies employing varying numbers of salesmen.

Big Spread Shown

Actual returns from the firms co-operating showed considerable spread in allowance or cost per mile. Returns from twelve companies showed the following costs or allowances:

Company	No. of Cars	Average Annual Mileage	Cents per mile
1	2	13,500	7.00
2	13	24,000	6.00
3	75	13,000	5.75
4	2,000	15,000	4.75
5	160	14,000	4.80
6	79	34,664	4.37
7	19	25,000	4.19
8	19	12,500	4.07
9	90	20,000	4.00
10	79	16,175	3.91
11	43	26,096	3.66
12	50	15,000	3.50

Figures For Canada

By introducing Canadian costs for gas, oil, etc., The Financial Post has calculated the comparative costs in Canada for light cars valued at $1,000 having annual mileages of 10,000 and 20,000 respectively. These figures are shown in the table below for first and second year of operation.

Calculations in the table are based on the following assumptions:

1. Initial cost of the car is $1,000.
2. A diminishing 40 per cent annual depreciation has been used.
3. Registration and insurance have been averaged at $45 a year.
4. Home garage has been allowed at $5 a month.
5. Tires have been assumed to require replacement after 25,000 miles.
6. Gasoline has been assumed at 25 cents a gallon and it is believed that the type of car considered will consume one gallon of fuel per 20 miles. Oil has been assumed at 35 cents a quart and 100 miles have been assumed per quart.
7. Repairs have been assumed to start at 15,000 miles and to increase at the rate of $2 per thousand miles thereafter.
8. Miscellaneous charges of $20 have been allowed at 5,000 miles, increasing thereafter at the rate of $1 per thousand miles.

Obviously, the cost per mile varies inversely with the annual mileage, owing to the high ratio that fixed charges bear to the total cost.

Naturally, the tabulation contains many assumptions which may not necessarily be correct for all parts of Canada or for all operators. As one instance, the price of gasoline varies considerably throughout the Dominion. Thus, a recent publication of the Dominion Bureau of Statistics gives the average price of gas in various Canadian cities as follows:

Halifax, 18.4 cents; Montreal, 16.8 cents; Toronto, 17.3 cents; Winnipeg, 19.8 cents; Regina, 23.8 cents; Calgary, 20.9 cents; and Vancouver, 20.2 cents. Provincial taxes must, of course, be added to these figures.

Mileage Costs of Salesmen's Automobiles
(Assumed New Cost, $1,000)

	10,000 Annual Mileage 1st Year	10,000 Annual Mileage 2nd Year	20,000 Annual Mileage 1st Year	20,000 Annual Mileage 2nd Year
	$	$	$	$
Depreciation	400	240	400	240
Registration and insurance	45	45	45	45
Home garage	60	60	60	60
Tires	..	..	..	60
Gasoline	126	126	252	252
Oil	36	36	72	72
Repairs	..	10	10	50
Misc., chains, anti-freeze	25	10	35	20
Total	692	527	874	789
Cents per mile	6.92	5.27	4.37	3.95

The Price of Security
Wall Street Journal

John R. Hall, writing in the September issue of "World Convention Dates," says that in his researches into the workings of more than a thousand employee benefit plans he has found that pure benevolence tends to decrease efficiency.

If Mr. Hall's findings are right, as security grows man's initiative and efficiency will die away. Mr. Upton Sinclair, who captured the Democratic nomination for governor of California amid the huzzahs of the left wing and the frowns of the right, has devised an ingenious paper plan for matching California's climate with a social order of eternal sunshine. The State would lease idle factories (by paying their taxes) and re-employ the idle; farmers would produce actively, receiving tax payment warrants for their goods and presumably tickets entitling them to a share of the State-run factories' products. Everyone would be employed but there would be no profits.

But would the idle men supposed to work in the factories indulge in profitless labor merely to receive the doles of farm products and other necessities which the national, state and municipal governments already give them? Assured only of mere sustenance in either case, would they prefer to work if there were not held out to them the possibility of reward for initiative, which even Soviet Russia cannot do without?

Probably even Upton Sinclair does not deny the value of initiative and its rewards, that is, not unless it is identified with the monster Capitalism, which quaintly enough, is the system by which initiative, right or wrong, long has been rewarded.

Guelph Industries Busy

Principal manufacturing industries in and around Guelph continue to operate well up to capacity and prospects for the next few months are encouraging.

Here in MONTRÉAL...

There is really NO French Section—though 60.8% are FRENCH

• Visitors ask: "Which is the French section of Montreal?" The answer is: "There is no French section—also there is no section in which the French are not heavily represented."

In a residential section regarded as English, 26% of the people are French — though you could not pick out the French dwellings from the appearance of the houses. Three out of five people on St. Catherine Street will be French — but try to distinguish them. You cannot.

From St. Cunegonde Ward to Papineau, south of Sherbrooke, French and others are about equally divided — for every French home there will be another not French.

What does it all mean to the man with a merchandising problem?

1. You cannot sell this rich concentrated market—unless you approach the FRENCH in their own language. Over 60 per cent of the people think, speak and read in French.

2. Both languages are neighbours here and consequently the living standards are very similar. You cannot say one group wears this or that—the other does so and so. **Both groups are equally good prospective customers.**

In most of the big stores they will tell you that sales are 50-50—as much is sold to French speaking people as to the others. This is true in the four big department stores, (with English names), the great jewelers and furriers and the automobile dealers.

Take any criterion you will—the phone book—automobile registrations (54% French)—store signs—newspapers read in the street car—you will realize that the French people are real prospects for all the normal purchases of the average Canadian family.

And this applies equally to the 611,237 FRENCH in the Metropolitan Area, the 297,454 FRENCH in the surrounding cities and towns and the 545,689 FRENCH in the rural districts.

The HOMES of Montreal

"I want to see what the French section looks like. I suppose it is very much like Paris". There is no French section, of course! The thought, however, is built on a premise that really is true.

If the French-Canadian home was surrounded with Parisian influences, it would doubtless take on the characteristics of the homes of Paris.

Here, the French families living side by side with neighbours speaking another language, the accessories of the Montreal French home—from canned soups to automobiles—are a reflection of what is in use by these neighbours.

Advertisers planning to service the FRENCH reading, speaking and thinking people of the Montreal District Market, should, then, bear in mind they are not faced with the problem of making changes in products, either in type or quality, to meet a different demand.

What is needed is educational publicity to tell the French in French—(their own language)—why they should prefer such a product.

With a clear idea of what they may expect, a French family buys an advertised product and—if it proves satisfactory——word goes around from family to family, so that a housewife in St. Henri may be demanding from her dealer a brand which was recommended after fair trial by a housewife in Montréal Nord.

This is equally true of cereals and radios, seeds and shoes, automobiles and underwear.

There is no dividing line in merchants' counters, and the merchant has a right to expect your cooperation with all his customers—not just the 40 per cent of them who are not French speaking, thinking and reading!

POSTAL ANALYSIS

of the Distribution of the

FAMILIES *of* MONTREAL

DISTRICT	Percentage Families French	Percentage Families Others
Lachine, Ville St. Pierre, LaSalle, Rockland. (One-half the Homes are French).	50%	50%
Western Section West of Atwater Ave. (One out of three are French Homes).	32.3%	67.7%
Delorimier and Rosemount Sections. (Seven out of Nine Families French).	81.5%	18.5%
Central and Northern Division. (Residential District).	29%	71%
Central and Eastern River Front. (Payroll Division. Four out of Five are French).	80%	20%

By Census of Population

	French	Others
Greater Montreal.	60.37%	39.63%
Surroundings Cities and Towns.	88.5%	11.5%
Rural Districts.	85.4%	14.6%

In the MONTREAL MARKET DISTRICT.

"More than HALF my customers are FRENCH"

The highest proportion of FRENCH in any one district is 81.5 per cent—the lowest is 29 per cent FRENCH.

North of Sherbrooke Street, surrounding Mount Royal, and including the Pine Ave. residences and Outremont, French and English live side by side, trade in the same stores. By actual postal analysis, 47 per cent are FRENCH.

In what might be supposed to be a FRENCH section—between Rosemount and the River,—22 per cent of the population speaks other languages than French.

Naturally if one sets out to locate a very small area of the City almost entirely French—as: from St. Denis to Montcalm, South from Duluth to Notre Dame, one could find 98 per cent French—but this would certainly not be representative of the Metropolis.

Go into almost any store in the City and you will not find separate goods or brands for the French.

With few exceptions, shelves and counters display the same lines as you will find in Ontario stores of the same character. The important point is that familiarity with neighbours of another tongue has brought familiarity and desire for the kind of goods the neighbour uses.

Naturally, there is the same competition between brands, with consequent advantage to those who explain the merits of their goods in the language of the buyer.

Ask the proprietor what is the language of the buyer and—on the average over the city—he will tell you that more than half of the total sales are to French speaking people.

You cannot get the full support of any dealer unless you appeal to all his customers. One language only is but half a campaign.

Total Population of the MONTREAL MARKET DISTRICT
1,996,255 – 72.8% FRENCH

This FRENCH market responds excellently to sales and advertising plans fitted to its needs. The facts presented in these announcements are compiled from Government and other authentic sources by the Montreal La Presse as part of its service to manufacturers and others who wish to develop to the utmost the trade possibilities of this important section of Canada's population.

For full information on marketing conditions write the Business Manager, LA PRESSE, (Canada's French National Newspaper) Montreal, or

S. L. Rees, 213 Metropolitan Bldg., Toronto, Ont.
Clougher Corporation, 19 Craven St., London, WC-2.
William J. Morton Co. { New York Office: 200 Fifth Ave. Chicago Office: 410 N. Michigan Ave.

YOU MAY BE STRONG ENOUGH IN ONE LANGUAGE, HOW ABOUT THE OTHER?

Bank Chat on Current Topics

Central Bank Profits

AN IDEA of the profits that the Bank of Canada may ultimately earn can be obtained from the experience of the Commonwealth Bank of Australia, the government-owned reserve bank of the Antipodean Dominion. Net profits of the Commonwealth Bank in the half year ended June 30, 1934, were £705,433 on a capital and reserve of £5,693,458, or 12.39 per cent, nearly 25 per cent per annum.

Even after making allowances for the fact that the Australian institution operates a general savings bank business through hundreds of branches, and has the sole right of note issue, it is apparent that the Bank of Canada should earn big profits from the Dominion note issue and from its government and bank deposits.

* * *

Something for Nothing

ANOTHER way of indicating the huge profits that the Commonwealth bank has reaped since its inception in January, 1913, is in the amassing of a capital of £4,000,000. It started without capital at all.

In 1933 the reserve fund had been built up to £1,693,458, and this was increased at the end of last June to £1,812,190. In addition to making large contributions to the Australian treasury, therefore the bank has made £5,812,190 out of nil.

Here is how the last half year's profits were distributed:

Profit and Loss Account
Half Year Ended June 30, 1934

To appropriations:	£	By Profits	£
Res. fd.	118,733	Banking	237,466
Nat. deb. s.f.	118,733		
Res. fund ..	15,379	Rural credits	30,758
Devel. fund	15,379		
Govt. treas'y	437,209	Note Issue	437,209
	705,433		705,433

If the experience of the Bank of Canada bears even a fairly close resemblance to that of the Commonwealth Bank, the 4½ per cent dividend on the stock will be a mere pittance of what the Dominion Government will get as its share of the profits.

* * *

Bank Profits

WHY it is even more important for a bank to make a profit than for an industry to do so was explained concisely by T. A. Russell, a director of the Canadian Bank of Commerce, in an address to the Canadian Chamber of Commerce annual meeting at Winnipeg.

This was his explanation: "All industry, whether agricultural or manufacturing, has its differences. With our banks they relate to the amount of credit and the charges therefor. These differences are important both to bank and customer, and we should not shrink from the attempt to settle them with equity.

"We should remember that no one is more interested in the prosperity of a bank than its customers. While it is important for any industry to make money, it is imperative that a bank should do so, or its credit, which is all-important, is in jeopardy. Anyone who has had close experience, as I have had in the last four years, with commercial centres that were bereft of banking facilities, where depositors lost their money, where demands were made upon shareholders under double liability where there was withdrawal of credit from farmer and business alike, will realize the vital necessity of banks making a reasonable return on their investments."

Bank of Montreal 90 Years in London

October 1, 1934, was the 90th anniversary of the opening of the first Bank of Montreal branch at London, Ont. In 1844, London's population was about 3,500.

The Bank of Montreal is the first of the now existing banks to have established a branch at London. At the time of establishment of the branch, the only avenues of transportation to London were corduroy roads leading to Port Stanley on Lake Erie, and to Hamilton and Detroit.

Managers of the London main branch with long records of service in the western Ontario city have been as follows: John Fraser, 1844-53; F. A. Despard, 1872-83; W. J. Anderson, 1883-92; A. H. Bedome, 1893-1915. More recent managers have been R. W. Travers, H. F. Skey and W. J. Ambrose. G. F. Pearson, the present manager, has been in charge since 1929.

Current Events in Banking World

BRANCH CLOSINGS TO BE CONTINUED SAYS BANK HEAD

Consequence of Depression and Central Bank's Privileges

Closing of numerous bank branches will be one consequence of the operations and privileges of the Bank of Canada, according to Morris W. Wilson, general manager of The Royal Bank of Canada, who, in the course of his recent tour of Western Canada, gave his views on this subject. But the banks, he said, will cooperate in the closings so as to avoid widespread inconvenience to the public. Mr. Wilson, it will be recalled, was one of the few leading Canadian bankers who favored the establishment of the Bank of Canada.

Explains Necessity

Mr. Wilson explained:

"Many branch banks will have to be closed simply because they are not making money and have not been making money, and if you haven't got a dollar you can't spend it.

"Before the Bank of Canada came along, banks were able to keep most of their branches operating although many of those branches were keeping books in red. Now the chartered banks have lost certain privileges and they are being forced to close down on unprofitable business."

Loss of Note Issue

By "lost privileges" it is presumed that Mr. Wilson was referring chiefly to the gradual elimination of banknote issues called for by the revised banking legislation of this year.

The "saw-off" policy by which banks exchange the business of branches so that small centres are not left without a bank at all, will be followed, Mr. Wilson disclosed.

To Trade Business

Said he: "It's simply a question of trading—like horse-trading. Discussions are going on in the head offices right now, all the time. The idea is to avoid letting any community suffer, and when the branch of one bank is closed, all accounts there can be transferred to other banks in the district."

This policy of exchange of business has been followed in numerous closings of bank branches in the last two or three years. Apparently it has been effective in reducing banks' expenses without serious inconvenience to customers.

Top Allotment Bank of Canada To Be 15 Shares

Maximum initial allotment of shares in the Bank of Canada to any individual subscriber will be 15 shares, according to an announcement last week by Hon. E. N. Rhodes, Minister of Finance. Maximum number of shares any one person can hold is 50.

It is understood that allotments will be made on the following basis: subscriptions for seven shares or less, allotment in full; eight to 10 shares, allotment of seven; 11 and 12-share subscriptions to get eight; 13 and 14 to get nine; 15 to 25 inclusive to get 10; 26 to 30 inclusive to get 11; 31 to 35 inclusive to get 12; 36 to 40 to get 13; 41 to 45 to get 14; 46 to 50-share subscriptions to get 15 shares.

There were some 13,000 subscriptions for approximately 230,000 shares, and only 100,000 shares are to be sold. A large number of subscriptions were for the maximum number, Mr. Rhodes stated. Although allotments had not been completed, the preliminary announcement was made so that applicants would have some idea of their obligations and might subscribe for the Dominion's refunding loan.

International Bronze Starts Dividend Payments

From Our Own Correspondent

MONTREAL — International Bronze Powder, which recently carried out public financing through the medium of Nesbitt, Thomson & Co., announces the initiation of dividends on the first preference stock. Dividends at the rate of 6 per cent per annum have been declared on the first preference stock, payment to be made on October 15 to holders of record September 30.

The Royal Bank Stakes a Claim

This is the recently opened branch of the Royal Bank of Canada at Hardrock, Ont., established to serve the Little Long Lac mining area. The bank has also opened at Jellicoe, centre of the new Sturgeon River gold rush.

The new Hardrock branch will later move to Geraldton, where a townsite is being rapidly developed. If additional mines are proved up in the area it may be necessary to build branches at both Hardrock and Geraldton.

But opening new banks on the fringe of pioneering development in Canada cannot wait for townsites to be laid out or lumber to be brought in. Tents go up and banks are opened.

Shown in the photograph is J. S. Hill, the manager of the branch, standing at the main entrance. He probably did not wear prospectors' boots nor trust his trousers to a belt alone when he was with the bank at Stratford.

Central Bank May Try Cheap Money Policy

Views of Governor Graham F. Towers On Credit Already on the Record

An easy money policy tending to lower interest rates in general, and on long term bonds in particular, may be one of the major planks in the initial platform of the Bank of Canada, if that institution follows the tenets of its new governor, Graham F. Towers, as outlined to the Empire Club of Toronto in February, 1931.

The policies favored by Mr. Towers in his address were somewhat similar to those that have been followed by the Dominion Government in the last two years in its efforts to lower interest rates by expansion of note issues.

Money and Depression

Mr. Towers summarized his explanation of the relationship of money and credit to economic depression as follows:

"Other things being equal, an increase in the volume of business requires an increase in the supply of money if prices are to be maintained. If all money consisted entirely of gold, an increase in the volume of business would necessitate an increase in supply of monetary gold. But gold is now used only as a reserve by central banks. Within certain limits, the central bank currency can be expanded or contracted, irrespective of any change in the supply of gold. Central bank currency is the foundation for general bank credit. Lastly, easy money conditions always accompany an expansion period of the business cycle, and scarcity of credit is in evidence at the commencement of any depression of importance."

The term "central bank currency," Mr. Towers explained, embraces both the outstanding note issues of the central bank and the reserve deposits commercial banks maintain with the central bank.

U. S. Credit Spree

He then pointed out that the United States took the world on a credit spree in 1928 and 1929. Opinion, he said, was becoming definite that early steps to correct this would have prevented some of the economic grief resulting from the American boom and subsequent panic.

Mr. Towers then pronounced on the proper central banking measures to alleviate depression as follows:

Central Bank Action

"If early action on the part of the central banks is highly desirable at a time when over-expansion of credit is leading the world into trouble, strenuous measures to ease credit are essential as soon as the tide turns. Otherwise, a chain of circumstances is set up which leads to excesses in the deflationary movement even more disastrous than those which are to be seen during inflationary periods. It is from such excessive deflation that the world is suffering at the present time.

"It should be noted that the proper criterion of easy money conditions is not to be found in the call loan rate or the rates on short-term bills. New developments and the satisfactory functioning of international finance depend on conditions in the long-term money market, and the forcing of funds in this direction is one of the principal functions which a central bank can perform in endeavoring to stem the tide of depression."

The latter remarks are particularly interesting in view of the recent policy of the Dominion Government of expanding of note issues to lower interest rates on government and other long-term bonds.

Views on Gold

Devaluation of the U. S. dollar in terms of gold, and possible devaluation of other currencies, is conceded to amount to an enormous increase in world gold stocks. In view of this development, Mr. Towers' 1931 opinion on gold supplies is pertinent:

"The total supply of gold in the world is ample for the support of present price levels, and for the financing of normal expansion in business, provided that too much of it is not allowed to remain idle in the hands of the wealthy countries through accumulation of excessively high reserve percentages. Thinking along these lines, then, the problem is not gold shortage. The problems of the movement are two in number—understanding and co-operation—and of this, I think, understanding is the more important.

"It is inconceivable to me that the world should continue much longer to tolerate these drastic changes in the value of the medium of exchange, the last one of which, as we are seeing, has disorganized the world's commerce to a marked extent. Acute necessity in the past has usually produced the needed invention and we must hope and believe that it will not fail to do so in the present circumstances."

Money Management

The reference to changes in the value of the medium of exchange would indicate that Mr. Towers sympathizes with the economists who favor management of the price level. Mr. Towers, however, is fully aware of the difficulties in money management. And he himself has stated that the Bank of Canada's operations won't bring Utopia.

Loblaw Sales and Profits Continue to Show Gain

Loblaw Groceterias sales for the four weeks ended Aug. 25, 1934, were $1,046,965 as compared with $992,271 for the same period in 1933. Sales for the three periods ended Aug. 25, 1934, were $3,281,039, as compared with $2,979,192 for 1933.

Net profits for the four weeks ended Aug. 25, 1934, were $47,153, as compared with $46,600, and for the first three periods $150,153 as compared with $145,232 for the same months in 1933.

Weekly Bank Clearings

	Oct. 4, 1934 $	Change Year Ago %	Sept. 27, 1934 $
Halifax	2,570,404	+ 1.5	2,027,231
Saint John ..	1,806,856	+11.8	1,520,388
Moncton	675,018	+ 3.3	765,667
Sherbrooke	729,674	+14.6	504,658
Quebec	4,663,468	+ 2.9	3,610,242
Montreal	121,250,531	+17.0	81,196,662
Ottawa	4,864,752	+ 5.3	4,543,283
Kingston	471,024	—32.8	567,061
Peterboro' ..	671,231	+ 4.0	539,628
Toronto	129,630,422	+ 9.8	98,020,418
Hamilton ...	4,726,681	+ 5.4	3,553,498
Kitchener ...	1,184,635	+14.0	932,628
Brantford ...	806,742	—11.4	647,815
London	3,200,366	+ 8.3	2,345,390
Chatham	462,975	+ 4.3	505,346
Windsor	2,391,201	+ 9.5	1,877,799
Sarnia	470,350	+ 5.0	335,946
Sudbury	754,544	+34.3	712,933
Ft. William .	748,978	+23.1	639,196
Brandon	458,81	+15.9	303,042
Regina	5,413,138	+12.3	5,047,980
Moose Jaw ..	658,745	— 1.9	483,845
Saskatoon ..	1,858,654	+18.5	1,613,694
Prince Albert	381,259	+18.6	286,517
Edmonton ..	4,130,069	+ 5.6	2,958,860
Calgary	6,917,995	+12.6	5,746,225
Medicine Hat	294,293	— 9.5	218,408
Lethbridge ..	487,917	— 0.4	419,217
N.W'minster	521,919	—14.7	534,059
Vancouver ..	17,875,239	+10.8	14,085,196
Victoria	1,815,705	+ 1.5	1,309,287
Winnipeg ...	86,662,353	+61.6	48,028,287

S.W. & A. RAILWAY BEST KEPT GOING SAYS CHAIRMAN

Any Operating Revenue Aids Municipalities, Says S. E. McGorman

"The cars might just as well be kept running around the streets until they fall apart," commented S. E. McGorman, chairman of the Sandwich, Windsor & Amherstburg Ry., last week in outlining to The Financial Post his views on the recent proposal to cease operation of the electric railway.

Mr. McGorman explained the situation in this way. The debt of the railway is nearly $7,000,000. But it was issued in the form of debentures of the various municipalities served by the road. While the accumulated interest charges on bonds are mounting because of the municipal defaults in the border cities area of Ontario, abandonment of the railway would not stop the accumulation of interest.

Profits Helpful

Any operating profit earned by the road is helpful to the municipalities, stated Mr. McGorman. The railway is not adding to the debt and the accumulated interest. The debt charges would accumulate just as fast if the railway were closed, but the revenue obtained from the road would be lost.

The S. W. & A. railway showed small operating deficits in 1931, 1932 and 1933, but will probably earn an operating profit this year, according to Mr. McGorman. "And if business gets no worse," he said, "there is a reasonable probability that substantial operating earnings may eventually be shown." He pointed out that the road earned over $300,000 in 1929, and that the rides per capita had declined in close relationship with the average employment in the border cities and in line with the movements of The Financial Post's chart of Canadian business activity. Revival of business, he thought, might reverse the trend and restore operating profits.

Condemns Financing

Firm in his conviction that continued operation of the road is in the best interests of the border cities, Mr. McGorman was none the less condemnatory of the manner in which the road was financed.

Said he: "The way the road was financed makes Alice in Wonderland look like a scientific treatise on economics." He pointed out that the municipalities did not put a cent into the road, but issued bonds for the purchase price. Then, instead of paying off some of the debt, they taxed the road, thus drawing dividends before making any investment of their own money. The Ontario Hydro and the province assisted this insane method of financing the venture by issuing their bonds with the municipal bonds as security.

Losses and Bunions

"There is no use charging interest and depreciation against the road's operating earnings to show a heavy deficit," stated Mr. McGorman. "If you close the road, the interest accumulates anyway. And if you scrap it the depreciation would be about $1,000,000 a minute. At the same time the municipalities would lose any operating revenue and the citizens would get bunions from walking."

The Ontario Hydro - Electric Power Commission recently withdrew as operating managers of the road. It is now being operated by the municipalities of the Windsor area. The entire debt of the road in the hands of investors is in the form of Hydro or provincially guaranteed bonds so that holders have no worries about getting their interest.

ALBERTA SELLING RURAL TELEPHONES

Mutual Companies Buying Alleged Losers From Province

From Our Own Correspondent

EDMONTON.—The Alberta government is making good progress in disposing of part of its rural telephone system, which has been blamed for heavy losses in past years.

Some time ago, it was decided to dispose of parts of the system to residents of the districts where these lines are located. Negotiations have been followed by the formation of what are known as mutual companies.

Up to the present, 50 of these companies have been incorporated, with a total line mileage of between 10,000 and 15,000 miles. Capitalization of the companies runs anywhere from $200 to $1,000.

Relief Payments Will Be Heavier Than First Plan

From Our Own Correspondent

OTTAWA.—Unemployment relief agreements between the Dominion and the provinces are rapidly being completed and from details made public by the labor department, it is obvious that the Bennett government has not succeeded in achieving all the economies indicated at the recent Dominion-provincial conference. The cash grants, then agreed upon, still stand and if Ottawa had insisted upon limiting expenditures to these figures a very large saving would have resulted.

Agreements which have been announced in detail show that Alberta, in addition to a monthly cash grant of $100,000 is to be paid up to $50,000 per month for highway construction and provincial public works; Manitoba gets the cash grant of $135,000 and a maximum additional sum of $65,000 per month for roads and buildings.

Nova Scotia will be paid the $40,000 per month agreed upon plus 50 per cent of the cost of trans-Canada highway construction and contributions not exceeding $70,000 in the aggregate for other public works: New Brunswick gets $5,000 per month in addition to the $25,000 cash grant, to aid in settlement: also $12,000 for colonization, $137,500 for the trans-Canada highway and $13,600 for secondary highways; Prince Edward Island also gets substantial additions to the monthly grant of $1,250.

With Ontario, Quebec, Saskatchewan and British Columbia to come, it would appear that the cost of relief to Ottawa during the balance of the fiscal year may double the amount of the cash grants.

EDMONTON AGREES TO INTEREST CUT

Backs Prince Rupert, But Not Burnaby; Fernie Pays Up

Edmonton board of sinking fund trustees have approved the scheme of reduced rates on the debentures of the city of Prince Rupert, B.C., to four per cent, it is reported. The trustees recently refused to sanction the proposed reduction to one per cent in the interest rate on city of Burnaby, B.C., bonds.

The plan to reduce the Prince Rupert interest was proposed by that city's supervising commissioner, W. J. Alder. The Edmonton trustees are understood to have signed an agreement approving the Prince Rupert scheme.

Mr. Alder stated recently that Prince Rupert is not in the same class as Burnaby and North Vancouver in regard to defaulting debt payments and that while he is commissioner there will be no attempt made to evade payment of the proposed reduced interest rate.

The Edmonton sinking fund trustees have also been advised that the defaulting city of Fernie, B.C., is now paying the 1933 interest on its bonds and that it has on hand 60 per cent of the funds necessary to meet 1934 coupons.

Expect Good Apple Year

In view of the prospective world-wide shortage of apples, Annapolis Valley producers, with a yield about 25 per cent above the average, are looking forward to a profitable year.

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News of Investment Markets

LOAN PROCEEDS MAY HELP BONDS LATER IN MONTH

Gilt-edged Bonds Soft, Others Quiet in Holiday Week

With the Dominion Government's loan books expected to close this week, bond dealers are looking for strength in the gilt-edged market later in the month. It is pointed out that a substantial portion of the maturing Victory Loan is not likely to be converted so that the holders will be paid in cash Nov. 1 and the money should flow into other investments.

Meanwhile the high-grade market continued soft in the week ended Oct. 10, as investors traded from maturing 5½'s into other Dominion issues. Numbers of investors have bought loans already on the market rather than the new bonds.

Holiday Interruption

In the last week, the Thanksgiving Day holiday interrupted the decline of the gilt-edged market. While no collapse has occurred, despite unrest in European finance, prices have been nibbled from day to day. The movement of gilt-edged bonds is shown below:

Average Yield and Price for Seven High Grade Canadian Bonds

1934	Yield %	Price $	1933	Yield %	Price $
Oct. 9	3.853	109.83	Oct. 10	4.433	103.62
Oct. 6	3.854	109.81	Oct. 7	4.429	103.69
Oct. 5	3.849	109.89	Oct. 6	4.430	103.68
Oct. 4	3.847	109.96	Oct. 5	4.431	103.62
Oct. 3	3.846	109.99	Oct. 4	4.443	103.48
Oct. 2	3.834	110.10	Oct. 3	4.456	103.36
Oct. 1	3.827	110.17	Oct. 2	4.460	103.32
Sept. 24	3.739	110.92	Sept. 25	4.453	103.39
Sept. 17	3.739	111.08	Sept. 18	4.381	104.16
Aug. 31	3.740	111.03	Aug. 31	4.359	104.59

Movements Small

Western provincial issues made fractional gains in the last week. Municipal bonds were dull and mostly unchanged with interest at a low ebb because of the Dominion loan. New borrowings were scarce for the same reason. Corporation bonds were inclined to soften but C.P.R. issues firmed fractionally.

The $5,000,000 of Saskatchewan 4's recently offered at 85.19 is still largely in dealers' hands, it is understood. This and other loans are expected to get more favorable reception when the Dominion flotation is off the boards. If, however, new offerings come out in any volume after the federal flotation is completed, the anticipated strength in the high-grade market may not develop.

MOUNT ALLISON BONDS ARE OFFERED

Educational Institution Seeks $400,000 of First Mortgage Money

From Our Own Correspondent

MONTREAL — Central Trust Co. of Canada and Colonial Securities Ltd., both of Moncton, are sponsoring a public issue of $400,000 of five per cent first mortgage bonds of the Regents of Mount Allison, the corporate name of the Mount Allison educational institution. The offering price is 100.50 and accrued interest to yield 4.98 per cent. The bonds are for a period of 20 years, non-callable, and payable as to principal and interest in Canadian funds.

This financing is being undertaken by the Regents to wipe out existing bank loans contracted in connection with the erection of new buildings and to refund an issue of bonds of 1904 and falling due October 1, 1934.

Security back of the issue consists of a trust deed covering all the real property of the Mount Allison institutions, having a nominal value of $1,563,000. In addition the endowment fund (which amounts to $743,200) to the full amount of the bond issue will be hypothecated to the trustee. The income from the fund, which has not been less than $29,398 in any year since 1929, will be used to pay interest, after which the balance goes to the Regents for general purposes.

PLAN TO AMORTIZE 'PEG TAX ARREARS

Winnipeg Finance Commitee Would Cut Penalties of Delinquents

A plan for consolidation of Winnipeg's tax arrears and reduction of penalties on real estate taxes has been approved by the civic finance committee and recommended for approval of the sinking fund trustees and the city council.

The scheme suggests a 50 per cent reduction in penalties for payment of all arrears without consolidation before Dec. 31, 1934. And it proposes consolidation of all tax arrears of one year or more, exclusive of 1934 taxes, if the latter are paid by Dec. 31. Interest on the consolidated arrears would be at 4½ per cent instead of the former nine per cent. Taxpayers would be required to pay each future year's taxes as they fall due and a portion of the arrears sufficient to amortize the arrears within a period to be determined.

The scheme follows the lines of the recent recommendations of Thomas Bradshaw who investigated the city's finances but it is more lenient. The Bradshaw plan was to reduce the interest to six per cent and spread payments of consolidated arrears over five years.

National Trust in Action Over Brantford Ry. Bonds

Action has been taken by the National Trust Co. against the city of Brantford to collect a mortgage, which fell due a year ago, on the street railway. The original mortgage, The Financial Post understands, covered the old Grand Valley Railway of which the street railway in Brantford was a part.

When the original system got into difficulties the city took over the line operating within the municipality. The action, which is for $125,000, will be defended.

Significant Investors' Index Numbers

1926 = 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	23.7	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
June	104.7	12.5	74.1	161.9	77.7	128.1	113.5	126.1	54.5	89.8
July	97.8	10.5	72.4	153.8	72.7	123.3	86.7	116.6	50.6	83.1
August	100.7	9.9	73.2	158.0	73.1	125.5	91.3	120.1	51.2	85.9
September	98.8	9.6	72.6	160.2	71.9	123.4	93.8	118.8	50.1	85.7
Weekly Figures, 1934:										
October 4	102.8	9.1	72.0	162.4	71.1	128.2	108.3	121.5	50.2	91.7

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Oct. 9	96.21	123.56	83.33
Oct. 6	97.18	124.61	84.05
Oct. 5	97.39	124.72	84.02
Oct. 4	96.91	123.94	84.22
Oct. 3	97.09	124.18	85.29
Oct. 2	97.25	125.07	85.77
Month ago	95.14	129.17	89.09

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Oct. 9	61.3	54.7	56.9
Oct. 6	61.8	54.8	57.1
Oct. 5	61.8	54.6	57.0
Oct. 4	61.6	54.4	56.8
Oct. 3	61.7	54.4	56.8
Oct. 2	61.8	54.1	56.7
Month ago	61.6	53.7	56.3

BRAZILIAN RATES AWAIT ELECTIONS, HOPE IS GROWING

Coffee Problem Settled — Rounding Out New Constitution Until 1935

Story that Brazilian Traction Light & Power Co. directors are considering an early cash dividend on common stock is not correct. There has been no change in the situation since last summer despite further freeing of exchange. The new Brazilian constitution was only adopted on July 16 and Provisional President Vargas inaugurated as constitutional president on July 19. Elections and revisions of state constitutions in line with the Federal revision for several months will probably prevent any great advance toward rate revision for public utilities and the adoption of policies which will create confidence once again in the field for investment in Brazilian public utilities.

Conditions in Brazil are improving rapidly. A considerable burden is being lifted from foreign trade by the progressive freeing of exchange from the restrictions that have hampered it for some years. Exports of coffee, cotton, rubber, tobacco, mate, timber and oil-producing seeds have gained materially. Cotton exports especially have been leaping on the back of the United States Government plan for restricting cotton acreage in the Southern States.

Coffee Problem Solved

President Vargas declares that the vexatious coffee problem of Brazil is already solved and the statistical position grows better. The Government destroyed 31,082,000 bags from June, 1931, to August 21, 1934, and two million more bags were destroyed in September. Remaining visible stocks in Brazil consist mainly of coffee pledged for the security of the Coffee Loan of 1930. The final estimate of the 1934-1935 crop is 14,102,000 bags of which 8,388,000 bags have been produced in Sao Paulo. The Government's coffee policy has not been changed and the National Coffee Department will remain in operation until the end of 1938. Drought during the five months ended August 31 is expected to cause a loss of the first flowering of the 1935-1936 crop. Therefore the coffee surplus has been so reduced as to be distinctly promising from the exchange standpoint.

Little advance in securing new rates on public utilities is expected until the elections for the new Chamber of Deputies are concluded. The elections for the state legislatures are now proceeding. In several months time the situation may be cleared for dealing with such matters as the new public utility rates to be allowed following the Vargas gold clause making payment obligatory in Brazilian paper milreis. That is the determining factor on Brazilian dividend policy.

To Complete Foreclosure on Wellington Bldg.

Scheme of reorganization for Wellington Building Corp., under the Companies Creditors Arrangements Act, was ruled invalid last week at Osgoode Hall, Toronto. The scheme was approved by a majority of bondholders at a meeting in August, but the court held that the approval did not comply with the requirements of the Act.

Due to this decision, foreclosure proceedings undertaken by the London & Western Trusts Co. in the interests of bondholders will be completed, it is understood. The last day for redemption of the property by the equityholders was Oct. 6, and it is understood that only legal details now stand in the way of acquisition of the property for bondholders.

London & Western Trusts is still operating the building as receiver and manager. The next move rests with bondholders' committees of which there are three.

The company has $425,000 of 6½ per cent first mortgage bonds outstanding on which the 1932, 1933 and 1934 interest is in arrears.

Bathurst Power Secures Low-cost Pulpwood

From Our Own Correspondent

MONTREAL.—Bathurst Power & Paper Co.'s current wood supply has been secured at a cost comparing very favorably with that of other producers. It had been thought that Bathurst's wood costs were high, as mentioned in the pulp and paper supplement of The Financial Post, but from semi-official sources it is learned that the company has been securing its pulpwood on favorable terms. For some time past the company has been concentrating its manufacturing on kraft liner board and sulphite pulp.

Appointed Commissioner

JOHN M. GODFREY, K.C.
Appointed Ontario Securities Commissioner to succeed Colonel George A. Drew.

Montreal Power Shows Increase In 1934 Output

From Our Own Correspondent

MONTREAL.—Output of both gas and electricity recorded an improvement last month compared with the same month a year ago, according to a statement issued by Montreal Light, Heat and Power Consold.

Gas production shows the increase anticipated with the advent of the fall season with output at 462,796,000 cubic feet, as against 456,971,000 cubic feet for September, 1933, an increase of 5,825,000 cubic feet.

Increase in electricity consumption totalled 220,360 kw.h., with total output for the month of 74,951,160 kw.h. This contrasts with 74,730,800 kw.h. for September last year.

Cumulative figures for the first nine months of the current year shows a moderate increase in both divisions compared with 1933. Gas production for the nine months advanced 1.66 per cent, while electricity consumption increased 9.35 per cent.

B. C. MINISTER GETS CRITICISM ON BOTH SIDES

Municipal Minister Blows Hot Then Cold on Municipalities

From Our Own Correspondent

VANCOUVER. — Hon. A. Wells Gray has enjoyed the unique distinction of being too pessimistic one week and too optimistic in the next week in his official capacity as British Columbia's Minister of Municipal Affairs.

When he announced, first, that the provincial government would be glad to co-operate with municipalities in scaling down their bond interest, he brought down on his head sharp censure from the Union of B. C. Municipalities, of which incidentally he was for many years the secretary; a virtual repudiation by Premier T. D. Pattullo and a storm of criticism from bond dealers. Later, Mr. Gray declared that his remarks on the subject had been misinterpreted.

Then, the following week, Mr. Gray addressed the Union of British Columbia Municipalities and gave them the assurance that he would be pleased to co-operate with them in having some of their former grants restored by the provincial government. These were based on liquor and amusement taxes and pari mutual receipts.

The reaction to this statement was almost as instantaneous as in the earlier instance. Immediately, his colleagues in the Pattullo cabinet declared that Mr. Gray had certainly not been authorized to give the municipalities any such assurance. Hon. John Hart, Minister of Finance, made it clear that there could be no restoration of grants to the municipalities unless the Federal Government provided funds to take their place, and that was not regarded as likely.

The whole situation became very embarrassing for Mr. Gray, and the result of it all appears to be that the province in its relationship to the municipalities is practically the same as before. In regard to Mr. Gray's debt repudiation statement, it is now officially stated that the government will not encourage default and certainly had no intention to make scaling down of interest charges compulsory. As to Mr. Gray's remarks about municipal grants, well he was evidently speaking out of turn. The government has no intention of implementing his announcement of policy.

Stops Telephone Sale Of Stocks In Ontario

John M. Godfrey Backs Up Dominion Companies Act—Knows Crooks

BY WELLINGTON JEFFERS

John M. Godfrey, K.C., Ontario's new Securities Commissioner, makes no prophecies, boasts or promises as to what he will do while in office. To a friend who congratulated him on his new position, he said. "The job is just as important as one makes it." The friend took his meaning to be this position will shrink or swell to the measure of the man and his abilities and that it affords endless opportunity for effective work. To newspapermen who asked him what he intended to do he replied that he had his ideas as to the principles on which the Commission should be run, but that he preferred to let his actions speak for themselves.

His first actions speak well. The Ontario Cabinet, doubtless on his recommendation, has passed an order-in-council putting into effect in Ontario the Dominion Companies Act prohibition against the sale of securities by telephone. This hits a hard blow at the high pressure salesmen who have been selling securities of questionable character in this way and possibly opens the way to later negotiations for choking off interprovincial telephoning of this character.

The ban on telephone selling was recommended to the cabinet by Col. George A. Drew, whom Mr. Godfrey has replaced.

Refused Mr. X

Another of these first actions was the refusal to give a license to the much-talked of Mr. X, who had been refused a license by the former commissioner, Col. Drew. Mr. X's appeal to the Attorney-General and his return to Col. Drew with a letter from the Attorney-General asking sympathetic reconsideration of claims Mr. X made as to extenuating circumstances about his criminal record have occupied columns in newspapers in the last week. The change of commissioners made no difference to Mr. X because he got short shrift. If all who are criminally inclined are similarly barred from the sale of securities in the Province of Ontario in future, the people of this province will save a lot of money.

The next act is one of internal administration: the man who has been acting registrar for three and a half years, and who was Col. Drew's chief aide, W. A. Brant, has been appointed registrar so that in this field there will be continuity of experience and effective service.

He has also instituted an investigation into current allegations that Teck Hughes directors withheld announcement of dividend reduction three weeks "to give insiders an opportunity to sell stock short." "We will give them a chance to explain," he said.

Knows Criminals

Three very distinct periods stand out with most startling clearness from his past life when one tries to describe what in John M. Godfrey led to his appointment as Securities Commissioner. They may be briefly set out as follows:

1st, he gained a very wide experience with the criminal classes, with criminal psychology and with criminal methods because he was for 25 years associated as partner with one of Ontario's most famous criminal lawyers, the late T. C. Robinette, and took very many of the latter's cases in his later years;

2nd, he followed that up by 15 years of work as a corporation lawyer where acquaintance with and intensive study of company law was an absolute necessity;

3rd, his friendly and active interest in French-Canadians and their language and ideals makes it possible for him to establish what is perhaps the most desirable thing of all in the security realm, that is, constant and helpful co-operation with authorities in the Province of Quebec to put the crook out of business.

Fought For Quebec

It is in the memory of all but the youngest of Canadians how the relations of French-Canadians of Quebec and Ontario people of English descent were embittered during the war. Mr. Godfrey was then acting chairman of the Civilian Recruiting League for Military District No. 2 and president of the Canadian National Service League. This ill-will between French-speaking and English-speaking Canadians was not to the liking of Mr. Godfrey. He organized the first bonne entente visit from Ontario to Quebec, and took 60 leading Ontario business and professional men to fraternize and become acquainted with the chief citizens of Quebec. The French-speaking citizens of Quebec responded with a visit to Ontario and these were the two brightest spots in all that period of dissension and misunderstanding.

The cleavage between the two races remained after the war. Mr. Godfrey still retained as strongly as ever the feeling that it was essential for the national well-being to heal the breach. He retained and still values the friendships gained in that bitter period. The Unity League of Ontario, which he organized, was really a continuation of the Bonne Entente movement. Its chief purpose was to secure the abolition of Regulation 17 (which forebade the use of French as the language of instruction to French-Canadian students in the public schools of Ontario even when they were in the majority). This regulation had been a thorn in the flesh of all administrators throughout the war, had made bad feeling between the two races in Quebec as well and had resulted in the almost total annihilation in Quebec of the Conservative party which had happened to be in control at Ottawa and in Ontario during this period.

Quebec Friendship Required Again

Eventually Regulation No. 17 was abolished in 1928 while Hon. Howard Ferguson was Premier. The latter drew as a result this tribute from Mr. Godfrey: "This act will be Premier Ferguson's outstanding claim to permanent fame."

The following true story may now be told for the first time: Senator Belcourt and John M. Godfrey were dining in the Parliamentary restaurant a year or so before Premier Ferguson abolished Regulation 17. Premier William Lyon Mackenzie King stopped by their table a moment and asked them how the battle to abolish Regulation 17 was getting on. "Fine!" Mr. Godfrey is reported as saying, "But do you realize, Mr. King, that we are your worst enemies?" "How's that?" asked the Premier. "Well, if the Ontario Conservatives abolish Regulation 17, it will be the end of a solid Quebec for the Liberals." "Perhaps you are right," said the Premier. "But go ahead just the same." Probably he remembered the remark again when the election of 1930 showed Premier Bennett obtaining a surprising support from Quebec.

Montreal in the last few years has been made the centre of activities of a gang of rogues who tried to evade Ontario laws by telephoning, telegraphing and writing to Ontario citizens. If Mr. Godfrey can arrange a common attack from Quebec City and Toronto on Quebec companies that fleece Ontario citizens and Ontario companies that go after Quebecers with money, that may be the most effective thing he can do.

Knows Mining

Mr. Godfrey had an exceptionally successful scholastic career. He graduated from the University of Toronto in 1891 with the same class that graduated Howard Ferguson. In fact, he beat the future Premier in the examinations, even in political science. He took his LL.B. degree in 1893 and was admitted to the bar in 1894. Outside his legal activities he has always been active in public life. He was a member of the Toronto Public School board for seven years and chairman in 1903. He was defeated as a Liberal candidate in the County of Peel in the provincial election of 1908 and suffered the fate of most Liberals of that time. In 1928 he was made LL.D. of Ottawa University and the French Government made him Officier de l'Instruction Publique.

The new commissioner has a good background in mining. It started back in 1909 when he grubstaked an old prospector with $100. He had forgotten it six months later when the prospector entered his office and flung on the desk before Mr. Godfrey a bundle of mining transfers that showed him to be the one-third owner of claims now owned by Anglo-Huronian (formerly Vipond Consolidated and before that Porcupine Vipond North Thompson) and just adjoining Hollinger and McIntyre on the south. That put him in mining in a very active way for several years until the war came and put an end to that phase.

Gambles With Apples

"I do not speculate in the stock market," said the commissioner when asked if his old interest in mining had been continued in the stock market. "Neither do I play poker or bet on the races. I satisfy that instinct for gambling which is in all normal human beings by operating one of the largest apple farms in the province. A farmer gets so much gambling on his job that his desire for that particular form of sport is entirely sated."

Friends on both sides of politics tell The Financial Post Mr. Godfrey will do a good job. And if he does it will be all the more to his credit because they also say that he would sooner fish. He fishes far and wide. One club is not enough for him. He is a member of the National Restigouche Salmon Club on the Restigouche River near Matapedia, and of the Cuckoo Valley Fishing Club on the Beaver River near Flesherton. There he draws strange piscatorial consorts such as Joe Clarke of the Toronto Star and Judge James Parker, senior judge of the County of York, a trustee of the Toronto Telegram. Perhaps the salary (reduced to $7,500) is an inducement, but more likely when fishing time comes he will feel and say with Hamlet:

"The times are out of joint. Ah, cursed spite
That ever I was born to set them right!"

Last week was moving week for the Godfrey family. John M. moved into his new Queen's Park office and his family moved on Saturday, October 6, into a new handsome house at Port Credit to replace one destroyed by fire last March.

Strongly Philanthropic

There are other engrossing interests which keep the new commissioner from his fishing. For example, he is trustee of the National Sanatarium Association and of the Toronto Hospital for Consumptives. The fight against tuberculosis is very close to his heart. So is boys' work. He was one of the founders of the Broadview Boys' Institute and of the Boys' Dominion and he was a member of the Federation of Boys' Clubs of America.

To conclude, all these things apparently indicate in the new commissioner a man with constructive ideas, an excellent mediator and peacemaker, a man with a genius for friendship and one who can work with others. He has started well by lining up with the Dominion Companies Act in one particular and it is to be hoped that he will give leadership by striving to line up Dominion and provinces in a common attack on the very serious problems now existing in the Securities realm. Conflict of jurisdiction must be eliminated in some way.

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ROGERS-MAJESTIC SIX MONTHS SALES GAIN 2.41 TIMES

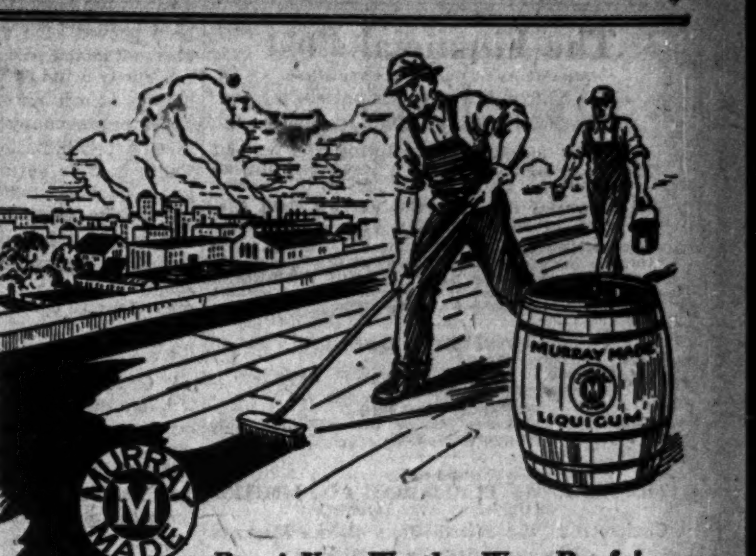
Improvement Continues—New Subsidiary Formed to Handle CFRB

Sales of Rogers-Majestic Corp. for the first six months of the company's fiscal year to the end of September were 2.41 times above the corresponding period in 1933, according to D. G. Mackenzie, vice-president and general manager.

September sales alone, it is stated were 290 per cent above the same month a year ago with the result that the company's payroll has been stepped up from 700 to over 1,000, a new high.

A new subsidiary is being formed by Rogers-Majestic Corp. to handle the company's radio station CFRB. Formerly this business was handled through the Canadian Radio Corp., another subsidiary, but after taking over the Consolidated Industries Ltd. the servicing work of the latter company which included refrigerators as well as radios, in addition to the servicing of the Rogers-Majestic instruments was carried on by the first named company.

This arrangement was not satisfactory and so it was decided, The Financial Post is informed, to have the new subsidiary, Rogers Radio Broadcasting Co. operate the station while the Canadian Radio Corp. will look after the service department. The new subsidiary will have a capitalization 40,000 shares of no par value the total consideration for such not to exceed $200,000.



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Brewing Corp. Finds O'Keefe Co. Great Aid to Sales

Recent declaration of dividends on Brewing Corp. of Canada preferred stock at a meeting of the board on October 4 at the rate of $3 a share per annum followed a review of earnings for two and a half months under the new conditions of selling in Ontario. Sales had doubled and the dividends were earned. The company's outstanding common stock has been progressively increasing during this period because minority holders of subsidiaries have been exchanging in increasing numbers for the parent company's stock.

The officers of the company are well satisfied with the sales made of O'Keefe products. The results more than justify the price paid for the company and the additional 200,000 common shares issued to get the $2,000,000 to pay for it. Besides the sales made from O'Keefe Breweries the possession of this famous brewery has rounded out the organization of Brewing Corp. on the scale originally desired. No information is available regarding holdings of Canada Bud shares and minority interests in other companies.

Bond Tenders

Oct. 22, Village of Montmorency Sch. Comm., Que.—$45,000, 5 per cent bonds due serially 1 to 20 years. Edmond Pouliot, sec.-treas.

Give Bonds Until Oct. 19 Redeem Queen's Pk. Plaza

Bondholders of Queen's Park Plaza, unfinished Toronto apartment-office building, have been given another 13 days to Oct. 19 to raise the $90,000 necesary to save their property from final sale for taxes and receiver's liens.

I. E. Weldon, K.C., chairman of the bondholders' committee, last week reported to Mr. Justice Makins at Osgoode Hall, Toronto, that $28,000 had been raised toward the amount necessary for redemption of the property. Mr. Weldon stated that he was reasonably sure that in another two weeks he would be able to report "something satisfactory" to the court.

J. D. Tory, representing the London & Western Trusts Co., trustee for the bonds and receiver for the property, argued against the extension. He stated that it is unfair to ask the trust company to carry the whole risk while bondholders are being canvassed and that already two chances to sell the property had been lost.

St. Ambroise to Pay Interest to June, 1934

Municipality of St. Ambroise, Que., has been authorized by the Municipal Commission to pay interest for December, 1933, and June, 1934, on its bonds.

Holders of past due bonds, to which interest is payable, have been requested to register with A. E. Asselin, St. Ambroise, so that cheques may be sent covering interest.

British Efficiency

"If a man wants to know only what is new, certainly he should go to New York. But if he wants to know what is sound and profitable he should go to London.

"If he wants to study success, not experiments, he should go to Britain and study its five-generation companies."

So says Herbert N. Casson, editor of "Efficiency," whose business experiences cover twenty-four years in Canada, twenty-one years in the United States and twenty years in England.

For fifty years Canadians have believed that the United States is a land of progress and that Great Britain is the land of tradition.

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The reason is that the British are not only efficient but sound.

For six years British business had a "New Deal." It was tied hand and foot by red tape.

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The result? The fastest growing towns in the world are in England. The North still has its problems, but the South is industrialized with amazing efficiency.

READ HERBERT N. CASSON'S REMARKABLE ARTICLE

"British Efficiency"

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The Regents of Mount Allison	Oct.	Central Trust Co. of Canada and Colonial Securities	5%	1954	$400,000	100½	4.98%

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Member Audit Bureau of Circulations

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Business Manager—D. M. GOWDY

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ADVERTISING RATES

Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2

Chairman of the Board—JOHN BAYNE MACLEAN

President—HORACE T. HUNTER

Vice-President and General Manager—H. VICTOR TYRRELL

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

GREAT BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W.1; E. J. Dodd, Director. Telegraphic Address, Atabek, Lesquare, London.

THE FINANCIAL POST BUSINESS YEAR BOOK, Yearly, $2.

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TORONTO, OCTOBER 13, 1934.

CANADIAN OPINION SWINGS TO MIDDLE OF ROAD

MOST remarkable feature of the trend of current social and economic thought in Canada is the swing away from radicalism. It is most marked in Western Canada. The West led the East in discontent with our economic system as well as in harebrained schemes for building a new one. But the East was not far behind in radical followership. Now the West is moving toward the Right, is in fact about Middle of the Road today. Eastern agents-provocateur of the various social "isms" will no doubt take the broad hint given by the electors to radical candidates in recent elections and by-elections and tone down their programmes of destruction.

What the average man wants is security. He is discovering today that it is not to be found in revolution. If our political leaders can be made to feel the temper of the people, to recognize this new open-mindedness and to adjust their policies to it we can lead the world out of the present economic and social morass.

WHAT MAKES PUBLIC WORKS REALLY EXPENSIVE

THE construction of public works in order to create jobs does indeed give immediate stimulus to purchasing power. But the overlooked factor in such a plan of buying prosperity is that, once the public works are in operation, not only does interest have to be paid on them but they must be maintained and serviced. Even those who make allowance for interest in their calculations usually forget the cost of operation.

The National City Bank of New York points out that the Erie Canal, built by the State of New York 25 years ago, cost $230,000,000 and while it was being built gave the State certain benefits from the construction expenditure. But ever since it has had to be kept in operation at high cost. If the State of New York could be relieved of the operating and upkeep costs, it could pay the rail freight on every ton of freight passing through the canal and still make money on the deal.

Every public works project should be studied in the light of its ability to pay, not only interest and sinking fund charges, but upkeep cost including the salaries of all the governmental officials who have to be hired to look after its affairs from some central bureau.

POLICEMAN OF BUSINESS

BECAUSE some private business concerns, promoters or financiers have been found guilty of unethical or predatory conduct, governments have assumed the rôle of policeman. There is no objection to the policing of business by the state any more than to the policing of the streets by the city. But there is a vast difference between setting up organizations to prevent the deliberate exploitation of the public, and the establishment of governmental agencies to make men honest by legislation.

It is not the rôle of the state to put business in handcuffs. It is not the rôle of the state to ensure the success of any individual business man's endeavors. It is not the rôle of the state to determine the basis of competition except to the degree necessary to prevent the exploitation of workers or any other class of the general public.

LOWERING INTEREST RATES

IN ITS current monthly letter, The Canadian Bank of Commerce makes the case against material downward revision of interest rates in Canada. The bank asks: "Should interest rate reduction either on government or private debts proceed to the point where the savings, life insurance and public welfare services of a country would be endangered?"

The view of the bank is summarized in this comment:

"The rate of interest yield of this bank's commercial loans and advances, which has been declining in recent years, is smaller than the Dominion Government's sales tax rate, regarded as one of the minor charges on business. If, as seems safe to assume, this interest yield is representative of that of the banking system as a whole, the total interest collected was about one tenth of one per cent of the gross value of all national production in 1931, the year of the latest estimate. We venture the opinion that if Canadian economy cannot stand this small charge it is incapable of survival, and, further, that no material downward alteration in this charge upon the productive forces of the country could possibly cause any appreciable stimulation of production."

Unfortunately this statement does not give sufficient consideration to the facts that profits as well as bank interest are an infinitesimal fraction of Canada's national production; that interest charges on other debts are a much larger total than on bank loans; that interest is a major, not a minor cost of doing business, especially in construction industries; that interest is a basic factor in the level of rents; and that by lowering interest rates business may earn profits without which depression will not be easily dispelled.

Efforts to continue the downward revision of interest rates have been advocated by the foremost economists of British countries. These nations have also bound themselves to strive to lower the cost of money by methods that have been proved sane and effective in stimulating business in the past 100 years.

Security is the first aim of bank depositors and holders of insurances policies. And their security is improved by any sound policy directed toward rehabilitation of industry in Canada. There is wide agreement among business men and economists that low interest rates provide one of the safest and most thoroughly tested means of reviving construction and capital goods industries generally. Rates in Canada still have some distance to go before they match those in other Empire countries.

SALESMAN OR EXECUTIVE?

A CANADIAN salesman recently paid a Saturday morning visit to a manufacturing concern in a large American city. He asked to see one of its executive officers, but was told that although he was in the office he could not be seen because of the N.R.A. code which called for a complete shutdown on Saturdays.

Later, in conversation, the salesman was told that the man could not have been an "executive" in the meaning of the N.R.A. because the code allowed such employees to be worked overtime. This raised the question: What is an "executive" according to the N.R.A. code? The salesman was informed that anyone receiving over $35 a week is an "executive." Such people can, therefore, be worked overtime at the will of the employer. The manufacturing official aforementioned had apparently been leaning backward in his observance of the code.

Incidentally, it is apparent that the $35 figure means that the small wage earner is the man for whom the short hour provisions of N.R.A. codes are trying to create employment. The theory behind this is that by restricting the hours that small wage earners may work, room is made for employment of a larger number of them, although in practice it hasn't worked out in just that way.

Stress is placed on increasing employment in the lower income classes on the assumption that they will spend what they make, whereas to strive for greater employment of "executives" would not bring the same relative increase in spending, but would tend toward increased saving—which, as everyone knows, is decidedly unfashionable in this new depression era.

LIFE INSURANCE MUST MEET PROSPECT'S NEED

TO SELL the prospect the type of life insurance that best suits the prospect's needs has long been the aim of progressive, conscientious life insurance underwriters. In their adherence to this policy they have made a very definite contribution to financial stability of many Canadians.

Unfortunately, there are still many underwriters unable or unwilling to properly advise their prospects with the result that many persons are carrying insurance definitely unsuitable to their particular situation. For example, in a recent letter to The Financial Post a mechanic stated that he was able to appropriate about $100 a year for insurance protection for his wife and child and that he had been sold a 20-year endowment policy for $2,000! He felt that he ought to have greater protection for his family.

Good underwriting would have given him this increased protection in the first place. Thus, the same annual premium would have given this purchaser at least $6,000 of protection under a low-cost or non-participating ordinary life policy. The agent would probably have got less commission but life insurance would have achieved its primary aim, namely maximum security and protection for its policyholders.

Most head office officials of the leading insurance companies are alive to this situation and most companies make consistent efforts to train their underwriters along these lines. In the current agency bulletin of one Canadian company, however, The Financial Post found a definite challenge to underwriters to write more endowment business—a challenge made without any proviso as to the uses of this type of policy and one which might easily be misinterpreted.

In part, the "message" stated:

"The average agent is inclined to take the line of least resistance by selling his prospect cheap insurance to the detriment of both himself and his prospect. A very successful agent recently said: 'This type of business (he referred to long-term endowments) remains on the books to a greater extent than any other class. There are fewer terminations on policies which have a decent cash equity. The public as a whole is better pleased with long-term endowments. Boosting cheap insurance is a fallacy. The policyholder should be sold endowment assurance.'

"Most people today realize that the 'get-rich-quick' days are over, that one can't get something for nothing. Thrift must be cultivated and preparation made for the future, not next year, but twenty or thirty years ahead. Endowment assurance is compulsory saving voluntarily undertaken. Take advantage of this new trend in life insurance, today, and explain to your prospects what an endowment at age 55 or 60 will do for them."

Great strides have been made in recent years to improve the level of insurance underwriting in this country. Study courses, training classes, and the holding of annual examinations leading to an accredited degree are all doing their part to arouse in the mind of agency officers and underwriters the responsibilities which they bear to the community at large. The success of life insurance as a financial partner in the future of this country will be in direct measure as companies and individual underwriters discharge this trust. One way to do this is to make sure the policies they sell are well suited to the needs and circumstances of their prospects.

QUOTAS NOT PERMANENT IN U.K. MARKET

THAT Canadian agricultural producers cannot sit back complacently and consider the British market quotas, fixed at the Ottawa Conference, as permanent allotments, is indicated by the growing criticism of these agreements in Great Britain. Prices, apparently have been raised largely to the advantage of foreign shippers while both the consumer, who must pay these increased prices, and the agricultural producer in Great Britain are dissatisfied. The present bacon situation is summarized in The London Times as follows:

"In the first seven months of 1932 this country imported 7,158,466 cwt. of bacon and ham, of the value of £18,578,839. In the corresponding period of 1934, with the quota in operation, it imported only 5,037,680 cwt. at a cost of £19,741,975. Thus it received more than 2,000,000 cwt. less bacon at an additional cost of over £1,000,000. It will thus be seen that so far the quota has operated to the distinct advantage of the countries which ship bacon here—mainly Denmark. Only eight per cent of the supplies come from the Dominion.

Home farmers, in whose behalf the quota was framed, declare that they have as yet gained little from the scheme, and the wholesale and retail distributors of the commodity are renewing their protest against the quota policy.

As pointed out on many previous occasions by The Financial Post, something more than an elaborate treaty is required to develop permanent trade. Not only must the producers in Canada build up a quality product which they are prepared to market in steady, substantial volume, but the consumers at the other end of the trade must be taken into consideration in regard to payments and prices asked for these goods.

In the same article in The Times mention is made of a proposed boycott of Australian dairy products and fruits by a group of northern grocers in Great Britain as a reprisal against a proposed Australian tariff on cotton goods. Permanent trade is a two way affair and both parties must be satisfied.

CO-OPERATION MISSING

WHEN the railway co-operation legislation went through, it was indicated that it was unlikely that arbitral tribunals to decide disputed points would ever be needed. None has yet been appointed but apparently only because the two railways seem to have tacitly agreed not to go any further in co-operation than they have already done.

Co-operative competition has already proved a failure. The suggestion for it came from a Royal Commission of business, financial and railway giants who refused really to face the railway problem.

EDITORIAL NOTES

Ontario's Government threw out numerous civil servants in its economy campaign. In the case of the discharge of the securities commissioner, Hon. A. W. Roebuck drew him out.

* * *

It is hard to figure which would be most expensive for the taxpayer; a pre-election session of Parliament, with its inevitable extra public spending, or a pre-session election with its equally inevitable promises on both sides of even larger expenditures.

Post-Scripts

OLD Man Tradition received a jar the other day, because of the steps taken by an American to entertain some of his compatriots visiting Montreal. This American is a member of a Montreal club, which features among the decorations in its dining room a large picture of King George. It was suggested the visitors should go along to his club for luncheon. The invitation was given hesitantly, but the host went on to explain that the club had some honored traditions which they, as Americans, would not like to fulfill. This aroused the curiosity of his friends, who demanded particulars. They were told that it was customary for guests visiting the club for the first time to walk down the centre aisle of the long dining room, stand before the picture of the King and bow three times. The second tradition to be honored was to stand up, toast the King and sing the national anthem before coffee was served. This explanation so intrigued the visitors, that they one and all agreed to carry on the "old" traditions. Upon entering the dining room the group, headed by their host, solemnly walked down the main aisle, lined up before the picture, bowed three times and then walked to their table. Regular members were nonplussed and had hardly recovered from the sight of this exhibition, when the waiter brought coffee to the visiting Americans. Their host rose, and as solemnly as before, proposed the health of the King. His guests stood up and did likewise. Then they sang the national anthem. By this time the serenity of the club was shattered. Roars of laughter came from the adjoining tables. The visitors were at a loss to understand the reason for all the merriment until one of the members enlightened them. Then they looked around for their host, but he had taken advantage of the confusion to quietly slip away. What the group did to their host for the practical joke he played on them is another story.

Sayings of the Week

"I like to think of myself as the Disraeli of America."—*Bernard M. Baruch.*

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"We want no alliances; alliances belong to dead past."—*Rt. Hon. J. Ramsay MacDonald.*

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"War is a racket. It is the only one international in scope."—*Brig.-Gen. Smedley D. Butler.*

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"The number of poll-parrots in our midst is steadily declining."—*Franklin D. Roosevelt.*

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"The population of Britain will become stationary within the next decade."—*Sir Josiah Stamp.*

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"Most critics tell us eloquently what they are against, but only rarely do they tell us what they are for."—*Stuart Chase.*

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"There are many old heads on young shoulders and quite a lot of empty heads on old shoulders."—*Col. Henry Breckinridge.*

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"Revolution is a form of magic upon which man has always depended whenever engaged in an impossible task."—*Stuart Paton.*

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"In the world of tomorrow men and women will be more alike from the point of view of conduct, occupation and morals."—*H. G. Wells.*

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"In all bureaucracies there are three implacable spirits—self-perpetuation, expansion and an incessant demand for more power."—*Herbert Hoover.*

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"If Europe and America wish to survive they must find means for keeping up their numerical strength in relation to Asia and Africa."—*Aldous Huxley.*

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"My experience leads me to conclude that there is no problem in the world that cannot be settled by reasonable discussion."—*Donald R. Richberg.*

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"The poorest of the poor, have not such bad teeth as the lower middle classes, because the poor have not the money to spend on sweets."—*Sir Frank Colyer.*

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"I desire a world from which exploitation of man by man has been abolished."—*Upton Sinclair, Socialist, Democratic Candidate for Governor of California.*

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"Photography, which tears the veil of mystery from mighty men, would alone have been enough to make monarchy in its ancient form impossible."—*Emil Ludwig.*

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"There is nothing incompatible between increased trade within the Empire and increased trade between the Empire and the world."—*Hon. Vincent Massey.*

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"We cannot possibly foresee the standard of living that will be available to the people of America and Great Britain even 25 years hence."—*Professor G. F. Warren.*

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"The occupier of the rich silt lands of Lincolnshire ought not to be tempted by artificial prices to put under wheat land that could grow vegetables."—*Sir Daniel Hill.*

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"In 1820, it required 57 hours of human labor to grow an acre of wheat yielding 20 bushels. It requires approximately eight hours today."—*T. A. Russell, pres. Massey-Harris Co.*

* * * *

"When I succeeded to the title I paid a death duty forty times as much as my father paid in succession duty, and it is probable that my son will have to pay half as much again."—*Lord Lichfield.*

New Books

NEW GOVERNMENTS IN EUROPE, a study of the trend toward dictatorship. Edited by Raymond L. Buell. Published by Thomas Nelson & Sons, Toronto, at $2.50.

One thing the new governments in Germany, Italy, Russia, Spain and other European countries have in common; they are a definite attack upon Democracy and a reversion to that authoritarian rule which Spengler calls the "return of the Caesar."

How long we on this continent can resist the trend, it is too early to say, but we must study the new governments in Europe and by such study prepare ourselves to resist the evils of a decline of liberty.

At this moment there appears this volume with its authoritative and complete study of governments in Italy, Russia, Germany, Spain and the Baltic States. It is published under the direction of the Foreign Policy Association. It has been written by first class authorities.

Mass Hysteria for Authority

Most interesting among the chapters is the first and shortest in which Vera Micheles Dean discusses the attack on Democracy.

There is a new mass hysteria for authority and a loss of faith in all established institutions since the war, she indicates. The war ended an era that made a cult of Democracy, of individual liberty and economic laissez faire. It brought into being a violent attack on capitalistic Democracy. It led to Fascism in Italy and Germany. It would have led to Communism had it not been for the presence of the highly developed middle class in those two countries. But Russia had no middle class and thus authoritarian rule became a Communist dictatorship and not a Fascist dictatorship.

The editor of the volume, Dr. Raymond Buell, applies the lessons of Europe to the United States. He says if the New Deal succeeds, Democracy will be vindicated. Should it fail it is not improbable that Fascism and Communism will go forward in the world.

This is an important book, important not only for historical and factual material contained therein, but for the interpretation it gives of the rise of dictatorship in the world.

IMPERIAL ECONOMY and its Place in the Formation of Economic Doctrine 1600-1932. By Prof. C. R. Fay, Reader in Economic History in the University of Cambridge. Published by the Oxford University Press, Toronto, at $1.75.

Dr. Fay makes a contribution to the scientific study of the economics of the British Empire. In Imperial Economy, he reprints lectures given by him under the Beit Fund at Oxford.

While somewhat planless, as a series of lectures is apt to be, the volume must be regarded as an important contribution to the study of Empire fiscal policies. Dr. Fay discusses the question as to whether the Ottawa agreements represent progress or reaction. Though a theoretical free trader, he admits the fact that free trade of Britain had to go. Under these circumstances, he argues, the Ottawa agreements represented a notable advance. They widened the area in the world where there was some measure of give and take in tariff. In a highly protected world such agreements as those signed at Ottawa should gladden the hearts of free traders. This is the argument of his final chapter which is preceded by a valuable study of the development of British colonial and tariff policy.

Dr. Fay points out that there is no new world today to share the old world's troubles, to take its excess men. Unable to escape, the old world plans. Russia, Germany and Italy plan in one way, but Britain plans by rationalization, which Dr. Fay calls "Bolshevism without bullets."

Dr. Fay makes the interesting comparison that just as Britain had to choose in 1763 between Canada and Guadaloupe, it had to choose at the Ottawa conference between Canada and the Argentine. With Canada it had the tie of people. With the Argentine it had the tie of capital. Again with Canada it had the tie of currency, but the historic fidelity of Canada to her obligations settled the issue and Britain cast in its lot with Canada and, of course, the other dominions.

In the Mail

Investigate The Few

Editor, The Financial Post:

Someone has said the caiptalistic system is on trial; but a review of the recent examination of big business and finance would prove it is not the system that is on trial, but a few men who have abused the system.

We are going through a distribution of accumulated great wealth of our country by a few men who have gained political power and monopoly. When this division is adjusted fairly, the capitalistic system will function again, as it should in fairness to all, and only then will good times return again to our beloved Canada.

Now that we have able men engaging all their time in endeavoring to right this great wrong, public opinion should get behind these courageous leaders and stamp out this great injustice to the masses.

It is strong, noble men of character and clean records that we as a people should support now as leaders in reorganizing the governments of our country; not men who have failed in their sacred duty to all the people. If we are to have a new deal we must support new men of high character and courage, to adjust the affairs of our country in an honest, national way.

Since so many industries of Canada have been brought into great mergers and monopolies, these companies should all be investigated, not a picked few—in justice to stockholders now suffering—and should be asked to put their houses in order if they are to maintain their charters given in good faith.

A SPECTATOR.

St. Thomas,

As Others See Us

Trying to Answer a Query
Stratford Beacon-Herald

A reader of The Financial Post wrote a letter to that paper asking among other things. "At what figure must no-par-value stock be carried on companies' books?"

The answer given by The Post was:

"There are 10 Companies' Acts in Canada. To determine the law with respect to any particular company, you would have to find out where it was incorporated. The law leaves considerable latitude to the directors."

It seems certain that the country is well provided for in the way of Companies' Acts. In parts the folk may be short of wheat or pasture, and in urban centres the people may be slack when they speak in terms of employment, but we have Companies' Acts in generous supply, ten in all.

The reason why we are interested in The Post's method of answering the question is that a somewhat similar question was put before this paper several months ago. Our answer was a candid "We do not know," and The Post has said the same thing in a more protracted form.

Other People's Views

Note on Economic Planning
Nation's Business, Washington

Germany desired to increase employment in its textile industry so it ordered that all waiters must wear frock coats.

Germany desired not to increase imports in order to conserve its exchange reserves so imports of wool were cut down. Result, German waiters may wear what they please.

Unemployment Insurance
Montreal Gazette

Existing conditions could not be used with any degree of safety as a basis for the determination of unemployment insurance rates. As one critic has phrased it: "One might just as well try to establish fire insurance rates when the town is ablaze. No unemployment insurance could be started in these times on any sound basis with any hope of it ever becoming a solvent fund."

The same critic places stress upon the fact that the price of unemployment insurance will be included in the cost of things produced and must be paid by the consumer, there being nobody else from whom it can be collected. The position of the farmer especially would be an unhappy one.

How Labor Can Win
Robert Williams, British Labor Leader in The National Review

The mass of the working people have over £2,000,000,000 in various thrift enterprises, building societies, saving-banks, co-ops., insurance polices, national saving certificates, etc. Even the unions themselves "invest" their accumulated funds and derive substantial profits from the "Capitalist" and commercial system they never tire of denouncing.

My candid advice to my old-time trade union colleagues is to consolidate the position won for them by their predecessors and, while demanding such rights and privileges as circumstances may warrant, to bear constantly in mind that they have duties and responsibilities to carry out in order to maintain the traditions of a great freedom-loving country.

The Art of Listening
Regina Leader-Post

The art of listening, like the art of thinking, is an achievement. It is not everybody that can listen carefully and learn thereby. Perhaps it is because few people can converse well enough to hold the average person's attention. There is something to that.

There may be times when one, among a crowd of people talking like blue streaks, remains silent. The silent one might be termed a quiet fellow. He may be quiet, yet be a good listener. Engage this quiet person in conversation and it might be surprising how much he knows.

The Chinese may not have a word for it, but the saying that it is better to have two ears and one mouth can be credited to them. Ancient Chinese sages "said a mouthful" when they uttered that remark.

Playing Around
Windsor Border Cities Star

In the current issue of The Financial Post we notice some observations on the railway problem with which we are in pretty thorough agreement. The Star, as all our readers know, has campaigned vigorously for years in favor of some plan to bring the two major Canadian transportation systems together in order to cut down expenses and reduce, in a material way, the staggering deficits that have to be met by the taxpayers of Canada.

We quite agree with The Post when it says the Duff Commission was a grave disappointment to all thinking citizens. It merely sidestepped the main issues. Its efforts represented a great waste of time and money. It accomplished exactly nothing because it provided us with no information that was not available before

Despite our great admiration for the abilities of Mr. Bennett we have to confess a keen disappointment over his failure to deal decisively with the railway problem. We thoroughly appreciate the difficulties of his position, from the political point of view, but we cannot overlook the fact that he came into power more than four years ago, with a large majority in the House and pledged to accomplish big things for the country. So great was the Prime Minister's prestige at the time that he could have put through railway amalgamation with a minimum of difficulty and opposition. Unfortunately, he did not choose to do so and now he faces a new election and fears to do so. In the meantime, the country has lost many millions of dollars that might have been saved had the Government taken the bull by the horns instead of appointing a perfectly useless commission to investigate something that needed no investigating.

"Stop Me If You Have Heard This One"

"Sambo," said the magistrate reproachfully to the negro before him, "I cannot conceive of a meaner, more cowardly act than yours of deserting your wife. Do you realize you are a deserter?"

"If you knowed dat lady as I does," replied Sambo, "you wouldn't call me a deserter. Ah is a refugee—dat's what Ah is."

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Business Conditions in Canada

The Week in Business

Retail Gains Continue

WHILE it would appear that the extent of the autumn gain in industrial activity has not been as great as had been anticipated in some quarters, there has been no set-back in the volume of retail trade. Autumn and early winter merchandise is reported as moving in good volume, such items as wearing apparel and linens being in heavy demand. The best period in some years is being experienced by furniture and radio stores, demand for the latter being more than double that of a year ago.

Orders to wholesalers from country points continue to stress the need for immediate delivery—evidence of the bareness of dealers' shelves. Wholesale dry goods orders are running from 10 to 25 per cent larger than a year ago, with future commitments in many instances nearly double those at that period, according to Dun & Bradstreet, Inc. Shipments of groceries and foodstuffs are nearly 20 per cent above the 1933 comparative figures, with prices advanced in nearly all departments. Farm implement houses report business better than expected two months ago, when drought losses were being counted, as cognizance was not taken then of the higher price levels which since have been reached. Collections on current accounts are making the most satisfactory showing thus far this year, and the reduction of long-standing indebtedness is proceeding at a rapid rate.

World Revival Checked

IT IS now quite apparent that the world industrial revival was checked during the past summer, the current issue of The Bank of Commerce monthly letter states. As far as Canada is concerned, there is some immediate improvement to note in general industrial conditions, the letter states, but it is important to recognize that this change is due more to domestic factors than to the external influences which initiated the strong upturn in Canadian business last year. There is no suggestion of a marked downturn in Canada and there is a possibility of the natural sources of recovery re-assuring themselves.

The autumn expansion in business activity is now under way, the letter adds, although its peak seems a few weeks distant. Stimulating influences such as the slight financial improvement in the position of agriculture and a continued good volume of new construction are evident. Canadian export wheat trade has been somewhat disappointing in that it has not equalled monthly averages necessary to sustain Broomhall's estimate of this country's shipments of wheat, even although the total for August showed a marked rise over the previous months. Argentina has continued to outsell Canada in the world wheat markets.

Rural Quebec Quiet

ALTHOUGH wholesale and retail trade continues to improve over last year in the larger centres in Quebec, quietness has been evident in rural districts, according to the current monthly letter of the Bank of Montreal. Collections are reported as fair to slow. Prices for farm produce remain firm, however, with a good demand for hay and advancing prices. Livestock markets are dull with low prices except for hogs. Little change is in evidence in the lumber trade, shipments to Great Britain under last year's contracts are moving out steadily. Indications point to larger woods operations this winter despite heavier costs.

Increased newsprint output is being maintained. Real and artificial silk factories are busy and woollen mills are well employed. Manufacturers of women's wear report operations at capacity and furniture and boot and shoe manufacturers have good orders on hand. Tanneries are operating around 60 per cent of capacity with prices for leather and raw hides fairly firm. Improvement in the steel industry has been maintained.

New D.B.S. Reports

Two new reports have been added to the list of monthly commodity bulletins issued by the Dominion Bureau of Statistics. These are "Canada's Imports & Exports of Hides and Skins" and "Canada's Imports & Exports of Pipes, Tubes and Fittings." Subscription rate for each report is $1 per annum.

10-YEAR RECORD OF SALES TAX UNDER REVIEW

Present Rate Amounts to But 5% on Sales, Says Official

"The sales tax works; as a medium for raising government revenue as painlessly as taxation may, it is a success," quoted V. C. Nauman, controller of excise in the Department of National Revenue, in a personally non-committal address to the International Accountants and Executives Corporation last week.

The nature of the tax has not been changed since January, 1924. At its inception in 1920, it was charged on all sales by jobbers, wholesalers and manufacturers. The obvious advantage to direct sales by manufacturers to retailers led to an alteration in the tax schedules in 1924.

The rates were changed to a more equitable basis by charging direct sales with double the rate on sales to wholesalers. This arrangement closely resembled a turnover tax and it was charged that the tax pyramided, that is it applied several times to the same commodity.

Averages Only 5 Per Cent

While the rate has continued to vary, the present form of the sales tax came in 1924 when it was charged on the sale by the final manufacturer only. Since the tax is charged on the wholesale price, the present rate, nominally 6 per cent, averages in reality slightly more than 5 per cent on actual sales prices.

The yields from the tax in both its forms and at its various rates read as follows:

	$		$
1920-21	38,126,063	1928-29	63,646,671
1921-22	61,518,751	1929-30	44,858,701
1922-23	81,262,254	1930-31	20,783,994
1923-24	100,990,078	1931-32	42,392,610
1924-25	66,707,369	1932-33	57,997,571
1925-26	74,025,093	1933-34	63,000,000
1926-27	82,305,670	1934-35*	28,000,000
1927-28	72,100,224		

*To Aug. 31 (approx.)

The cost of collection, interesting to economists and statesmen, cannot be definitely determined. While 100 auditors were employed throughout Canada, and 80 persons are kept busy in Ottawa, collections are made by the Customs and Excise staff with a small additional personnel.

Mr. Nauman, in commenting on its administration, advised and welcomed frequent consultation with the staff in Ottawa. Their experience had covered almost every conceivable case that was likely to arise. He suggested that the advice of his department when the efficiency of collection was considered, would be sounder in the long run than opinions arising from casual contact with the law and its enforcement.

General Improvement Seen Throughout Canadian West

Survey by The Financial Post Shows Amazing Ability of Westerners to Withstand Adversity is Unimpaired — Look to Future

Evidence of the amazing ability of the Canadian West to take its blows standing up appears as the outstanding feature of the business situation in that area following a survey made by The Financial Post. Despite six consecutive years of drought in some districts, the West remains definitely a "next year" country and has never become completely despondent.

Improvement in sentiment was noted throughout the whole country. Manitoba is stimulated by good average wheat yields, heavy premiums on durum wheat and malting barley and considerable new mining activity. Southern Saskatchewan has, of course, been burnt out again but some good yields were seen in the northern areas and these will bring higher prices than in the past two years. Refusal to admit that the southern section is through as a wheat producing area in general and big profits are expected when average precipitation is received.

Alberta Grades Suffer

Higher average returns have been obtained in most areas of Alberta but in some districts grade has suffered from rain, snow and frost. Higher hog prices have meant much to farmers and sugar beets have proven profitable. Alberta continues to look for the large crude oil field which many expect will place the province on the map as an important oil producing area.

Extensive lumbering and mining operations have helped maintain activity in British Columbia. Fruit yields are better than last year and the overseas market seems receptive at slightly higher prices. The prospecting boom has partially worked itself out, however, and the shaky state of the province's finances and uncertainty of results under the N.M.P.A. has business men worried.

Provincial Survey

More specifically, the situation by provinces appeared as follows:

Manitoba—Considerable improvement in farm buying power evident. Southwest townships are in the drought area, but the major portion of the province has enjoyed fair yields. In western areas some remarkable crops were seen, running as high as 40 bushels to the acre. The total crop contains a large proportion of durum wheat which sells at about 15 cents premium, and a good yield of malting barley, which is at a high price. Everyone appears quite pleasantly surprised by the year's returns. From 6,000 to 8,000 men are at work in the new mining camps and substantial orders for supplies are being placed in Winnipeg.

Saskatchewan—Conditions are very spotty and the south country is again burnt out. Many areas have complete crop failures, but in the north there are some good yields which will, of course, bring a higher return per bushel than last year. There is some mining activity in the far north.

Saskatchewan has dug in for one more year of hopeful waiting and is somewhat cheered by recent rains to hope for an end of the drought next year. Mixed farming developments proceed slowly and are restricted by lack of capital and unsuitability of many areas to indulge in it. Saskatchewan refuses to admit that its drought country is through; points to the long term record and expects big profits when yields come again.

Crops Spotty

Alberta—Crops are very mixed. Good yields are reported in the north, but have been reduced by frost and early snow. Higher average returns for the year are assured in most areas, however. In the irrigation district some new crops have been developed and have proven profitable to the limited number of farmers able to put them in. An example is broom corn in the Taber district where some 450 acres produced an average of around $150 worth of broom corn—or one ton per acre.

Higher prices for bacon and hogs have been a lifesaver in some districts, particularly as there has been a substantial improvement in the quality of the hogs sent to market.

Oil development goes on slowly, with no spectacular results, although the spreading out of the results encourages hope that a large crude oil field may eventually be found.

Mining Passes Peak

British Columbia — Large shipments of lumber under the Imperial treaties and the activity in mining have maintained a substantial measure of activity in the province. Some good producing mines have been opened up and there are still many good prospects. The exploratory boom seems to have passed at least a temporary peak as some of the most touted properties have failed to come through and this has made speculative capital a little harder to obtain.

Business men in export fields are worried about the possible effect of schemes under the N.P.N.A., being afraid that attempts to make the smaller and less profitable producers prosperous may increase costs and restrict markets for all and thus injure the provinces export trade.

British Columbia's finances are not in good condition and a period of deflation seems likely until population and activity catches up to the economic superstructure it has built up.

SALES REDUCTION BY VARIETY CHAINS

More Stores Reported Last Year But Sales Down Over $2,000,000

Sales of variety chain stores in Canada in 1933 showed a decline of seven per cent from the previous year despite an increase of six in the number of stores operated by the fourteen variety chains. Total sales in 1933 amounted to $32,462,300 as compared with $34,853,500 in the previous year. There were 14 chains in both years and they operated 354 stores in 1933 and 348 in 1932. In 1930, when the complete census of this type of merchandising was taken, there were 15 chains operating 327 stores with total sales of $39,383,600.

Business handled by the chains has declined in all provinces. The number of stores and total sales by provinces for 1930 and 1933 are shown in the following table:

	1933 Stores	1933 Sales	1930 Stores	1930 Sales
B. C.	21	$2,233,300	21	$2,769,700
Alta.	9	1,489,300	8	1,708,900
Sask.	12	1,366,400	12	1,713,800
Man.	9	1,150,600	9	1,434,800
Ont.	174	15,518,400	152	18,408,300
Que.	105	8,131,000	101	9,949,700
Maritimes	24	2,574,300	24	3,398,400
	354	32,463,300	327	39,383,600

Big Jump in Sales Radio Receiving Sets

Advance of the radio industry this year has even outstripped the automobile industry, statistics for sales for the first six months of 1934 indicate. During this period, approximately 58,000 radio receiving sets were sold as compared with only 22,250 in the first half in 1933. In addition, sets sold this year were more expensive on the average, as the total value was $2,165,000 compared with $627,000 a year ago. The average value was therefore $37 this year, as compared with $28 last year. These are factory prices.

Nearly half of the sales made this year were in Ontario, about 20 per cent in Quebec and 10½ per cent in British Columbia. Of the total sets sold this year over 8,000 were designed for automobiles, most of these being 5- and 6-tube receivers.

Trade in Hides, Skins Heavier in Past Year

Import of hides and skins into Canada during the twelve months ending with August, 1934, was of the value of $3,242,431. This was a considerable increase over the import of $2,098,695 in the same period of the previous year. Imports were lower in August than a year ago; $255,105 and $452,978 respectively.

Exports also increased during the same twelve month period, amounting to $2,181,413 compared with $1,597,304. The August export was valued at $123,555 compared with $188,100 in August a year ago. The United States took a large part of the August export valued at $91,808.

Commodity Prices

AFTER some weeks of slight reaction, rubber futures again moved higher during the past week on news from the east that the restriction agreement had resulted in higher prices for raw rubber there. New York followed an active London market.

Some recovery from the low level hit last week on the Winnipeg grain exchange was experienced during the latter part of the week. Export demand was brisker than for some time.

Wool prices have been declining for some months with little agreement among experts on the reasons. Import restrictions placed by European countries is the most generally accepted cause.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$6.00	$5.00	$4.50
Copper, lb.	.09	.09	.09
Cotton, lb.	.1240	.1270	.0950
Rubber, lb.	.1380	.1482	.0790
Sugar, raw, lb.	.0302	.0295	.0353
Silk, lb.	1.20	1.22½	1.70
Wheat (Man.) bu.	.75⅝	.81¼	.60⅝
Coffee, lb.	.09½	.09⅝	.07½
Hogs	7.90	8.50	6.60
Weekly Indices			
N. Y. Annalist	117.5	119.6	107.6
Fishers'	79.7	80.1	†63.6
N. Y. Journal of Comm.	76.3	77.3	71.9
Crumps (Brit.)	64.0	64.4	†63.4
U. S. Labor	77.5	77.5	71.5
Canada (D.B.S.)	71.8	71.9	...

†Average, 1933.

Monthly Indices	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (August)	78.7	78.4	78.3
W'sale (August)	72.3	72.0	69.5
U. S. Labor (Aug.)	76.4	74.8	69.5
Gt. Brit. (July)	69.8	69.9	69.0

Note: Indices on all base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15; New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers: coffee—Rio No. 7, spot, New York; hogs—select bacons, Toronto.

C.M.A. Outlines Clauses in Ontario Wage Act

Proposed Ontario legislation for regulating hours of labor, wage rates and working conditions, is reported by the Canadian Manufacturers' Association to include the following:

1. Provision for fixing a minimum hourly rate for each industry.
2. Provision for fixing a minimum rate for each class of employee in each industry.
3. Provision for a higher scale of pay for part-time workers.
4. Provision for equal rates of pay for the same class of work whether performed by married or single men or by women.
5. Provision for the application of the legislation to all classes of employees, including salesmen and saleswomen, whether working on salary or commission.
6. Provision for employers-employees conferences to determine wage rates, hours and working conditions, agreements resulting therefrom to be endorsed by the minister of labor and made binding by order-in-council.

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New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Nelson's Laundries Ltd., Vancouver, plans construction of a dry cleaning plant at a cost of $45,000, according to the Vancouver Province.

Brandon Creamery & Supply Co., Brandon, Manitoba, is constructing a packing plant, the first in that city. It is the intention of the company only to slaughter and process hogs at the present time, about 50 to 75 hogs being slaughtered weekly, according to the Brandon Sun.

Tillsonburg Cabinet Works is the name of a new concern expected to begin manufacturing soon in Tillsonburg, Ontario, according to the London Evening Free Press. The company will manufacture juvenile furniture of all kinds.

Pioneer Carbon Black Co. is proceeding with the construction of a plant at Craigmyle, Alberta, according to the Calgary Herald. Russell V. Johnson is secretary of the company.

Canadian Oil Co. announces a $350,000 addition to its Petrolia, Ontario plant. Installation of new equipment will be carried on during the net six or seven months, according to the Toronto Globe.

Riverside Silk Mills Ltd., Galt, will erect an addition to its plant at an estimated cost of $20,000, according to the Galt Reporter.

Glass Art Cut China Company, Toronto, plans opening a plant in Oshawa soon in the building formerly occupied by the Feldspar Glass Company, according to the Oshawa Times.

Canadian Leaf Tobacco Company, Tillsonburg has purchased land near its plant to erect a new storage building, according to the Sarnia Observer.

Crosse & Blackwell Ltd. Appoint Sales Manager

E. C. Martin has been appointed vice-president, in charge of sales, of Crosse & Blackwell (Canada) Ltd., and British Educator Biscuit Co., it is officially announced.

For a number of years Mr. Martin was General Sales Manager of the Dunlop Tire & Rubber Goods Co.

Canada and U. S. Agree On Airline Regulations

From Our Own Correspondent

OTTAWA.—Negotiations between Washington and Ottawa in recent weeks are believed to have brought about important changes in the aviation picture. Ottawa has agreed to permit United States airlines to fly across Alberta and British Columbia in carrying out a service between northwestern states and Alaska. Permission also has been given for the establishment of a United States air base on the northern coast of B.C. This base will be the first stop south from Alaska.

In return, it is understood that Canada will be allowed to route the transcontinental air service across Maine, on the jump from Montreal to Saint John. It is thought, also, that Washington has been given assurances that American aviation companies will not deliberately be excluded from the North Atlantic air service when it becomes practicable.

Howard Smith Dividend Action is Not Immediate

From Our Own Correspondent

MONTREAL.—Business of Howard Smith Paper Mills during the current year has experienced a moderate improvement over last year, according to a statement attributed to Harold Crabtree, president. The time has not yet arrived, however, when the board feels justified in giving consideration to the resumption of dividends on the preferred shares. The latter have recently come in for market attention and have appreciated several points in value.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1934	Latest 1933	Cumulative Total Jan. 1 to date 1934	Cumulative Total Jan. 1 to date 1933
Transportation—				
Car loadings (Sept. 29)	▲50,547	51,229	1,699,096	1,451,422
C.P.R. gross earn. (Sept. 30) .. $	▲3,431,000 $	3,604,000 $	90,899,000 $	80,141,000
C.N.R. gross earn. (Sept. 30) .. $	▲4,472,997 $	4,430,828 $	121,821,702 $	103,809,699
Business Conditions—				
Weekly index D.B.S. (Sept. 29)	▲95.9	86.9	......	......
Business failures (No.) (Sept. 29)	▲29	27	1,080	1,691
MONTHLY DATA				
Business Conditions—				
Financial Post index (Aug.)*	98.4	88.7	......	......
Transportation—				
C.P.R. net earnings (Aug.) .. $	1,070,633 $	738,601 $	10,636,527 $	6,968,122
C.N.R. net revenue (Aug.) .. $	65,276 $	1,007,031 $	5,132,261 $	‡1,151,485
Iron and Steel (August)—				
Pig iron production (tons)	41,485	35,233	236,071	103,132
Steel ingot prod. (tons)	63,504	48,659	527,673	228,199
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (August)	4,000	3,355	53,220	33,451
Factory output (August)	9,904	6,079	103,102	50,881
Trucks and Buses:				
Domestic sales* (August)	1,192	553	8,867	4,056
Factory output (August)	2,579	1,160	20,286	7,781
Exports (August)	4,971	1,919	36,477	12,598
Construction—				
Building permits (August) .. $	3,273,889 $	1,910,809 $	16,775,616 $	14,407,111
Contracts awarded (Sept.) .. $	12,494,000 $	8,386,000 $	98,145,100 $	63,430,700
Newsprint (tons)—				
Production (August)	216,164	194,262	1,688,036	1,269,136
Exports (August)	183,829	165,880	1,537,127	1,140,419
Sugar (lbs.)—				
Melting & shipments§	91,063,904	63,270,428	513,191,653	495,720,370
Manufactured§	88,679,472	60,377,719	500,128,185	485,758,000
Flour (bbls.)—				
Production (August)	▲1,282,214	1,443,692	8,955,632	9,008,998
Wheat flour exports (Aug.)	412,089	480,288	3,353,728	3,537,715
Trade (August)—				
Imports $	43,507,000 $	38,747,000 $	335,041,000 $	242,366,000
Exports $	55,249,000 $	44,723,000 $	401,029,000 $	302,163,000
Wheat exports (bush.)	14,709,675	8,652,970	92,410,946	108,395,079
Employment (Sept. 1) D.B.S. Index—				
All industries	▲94.6	88.5	......	......
Manufacturing	▲91.9	86.8	......	......
Electric Power Output (August)—				
Total monthly (000's omitted)	1,658,742	1,508,216	13,651,531	11,035,824
Aver. daily	53,508,000	48,652,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports, mill (August)	135,135	128,459	900,790	501,816
Boot & shoe prod., pr. (July)	1,331,966	1,974,867	10,628,963	10,798,759
Crude petrol. imp. gal. (Aug.)	129,613,000	116,312,000	674,788,292	497,849,889
Cotton imports, lbs. (Aug.)	8,535,000	10,584,000	86,439,000	61,140,000
Raw rubber imp., lbs. (Aug.)	4,363,000	4,022,000	40,786,087	22,770,876
Coal imports, tons (Aug.)	1,462,469	1,299,750	8,209,179	6,470,738
Finance—				
Bank debits† (August) .. $	2,533,000 $	2,648,513 $	20,744,000 $	19,371,609
Bond sales (August) .. $	51,057,200 $	91,729,456 $	308,866,972 $	298,515,462
Life insurance sales (Aug.) .. $	26,659,000 $	30,846,000 $	249,751,000 $	255,609,000
Automobile Financing—				
Used cars (August) .. $	▲1,369,232 $	902,444 $	10,094,624 $	7,726,844
New cars (August) .. $	▲1,496,558 $	908,390 $	13,046,909 $	7,736,495

†000's omitted. ‡Deficit. §For 4 weeks to September 8. *D.B.S. All-Canada figure comprising over 90% of the Canadian total. *Final.

Foreign Exchange Markets

THE London price for gold has been rising steadily and is at a premium to franc and dollar exchanges in London. Sterling consequently has declined in terms of gold and may drop farther unless the price of gold recedes. The Canadian dollar has been carried down with the pound, but still stands at a premium in New York and London.

Explanations of the mixed trend of foreign exchanges in the last two weeks are vague. Sterling appears to be moving down to the new gold parity of the U. S. dollar. This would mean $4.87 for the pound in New York and about 144s for gold in London, which levels are being approached. The seasonal period of heavy exports from Canada is believed to be an important factor in the comparative strength of the Canadian dollar. The gold leveller is sustaining the U. S. dollar. Further early devaluation of the U. S. dollar, rumored a few weeks ago, is now given small credence.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Oct. 2	Oct. 3	Oct. 4	Oct. 5	Oct. 6
U. S. dollar, High	.5906	.97⅞	.97¾	.97⅞	.97⅞	.97⅞
Low	.5906	.97⅞	.97½	.97⅝	.97⅞	.97⅝
1933 High	1.000	1.02	1.00⅞	1.02	1.02¼	1.02⅛
Low	1.000	1.00⅞	1.00⅞	1.00⅞	1.00⅞	1.00⅞
U. K. pound	4.8665	4.82	4.81	4.81	4.80¾	4.81
Argentina	.4246	.2576	.2588	.2553	.2548	.2584
Australia	4.8665	3.8366	3.8291	3.8269	3.8249	3.8264
Austria	.1407	.1865	.1865	.1864	.1864	.1865
Belgium	.1392	.2296	.2293	.2294	.2293	.2295
Brazil	....	.0732	.0732	.0727	.0717	.0722
Czechoslovakia	.0296	.0411	.0411	.0410¾	.0411	.0411
Denmark	.2680	.2154	.2154	.2152	.2149	.2149
France	.0392	.0648	.0648	.0647	.0648	.0648
Germany	.2382	.3962	.3965	.3959	.3954	.3958
Greece	.0130	.0093	.0093	.0093	.0093	.0093
Holland	.4020	.6687	.6665	.6659	.6660	.6668
Hungary	.1749	.2935	.2930	.2933	.2933	.2935
India	.3650	.3677	.3673	.3670	.3690	.3673
Italy	.0526	.0842	.0843	.0842	.0842	.0842
Japan	.4985	.2842	.2847	.2845	.2845	.2842
Jugoslavia	.1929	.0225	.0226	.0225	.0225	.0225
New Zealand	4.8665	3.8520	3.8444	3.8422	3.8402	3.8417
Norway	.2680	.2422	.2422	.2421	.2418	.2417
Poland	.1122	.1880	.1878	.1877	.1877	.1879
South Africa	4.8666	4.8129	4.8034	4.8007	4.7982	4.8001
Spain	.1929	.1343	.1343	.1343	.1342	.1342
Sweden	.2680	.2486	.2486	.2483	.2480	.2481
Switzerland	.1930	.3208	.3208	.3206	.3206	.3210
Hong Kong	.5422	.3941	.3936	.3905	.3900	.3902

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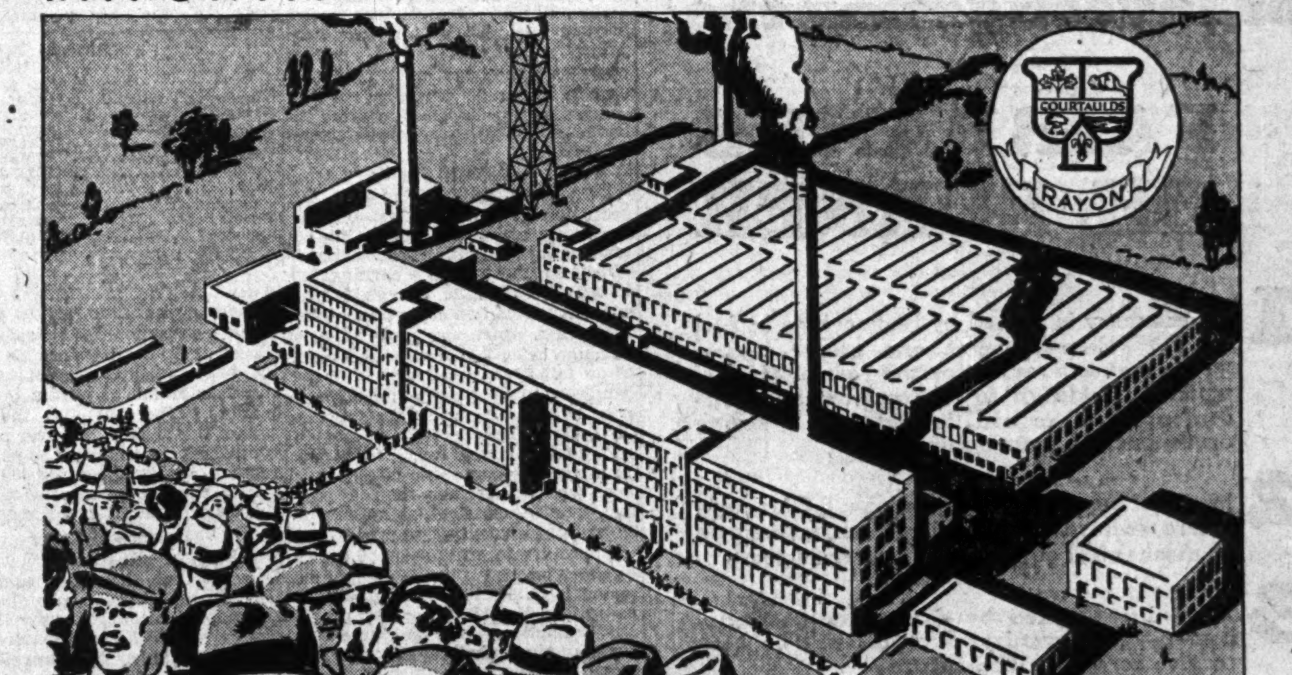
RAYON... CANADA'S GIANT NEW INDUSTRY



"... Every Man and Woman of Legal Age is Gainfully Employed"

THANKS to Rayon and to Courtaulds... an entire industrial community has been spared the deadening effects of unemployment—thus a prominent business publication recently described the situation existing in the City of Cornwall, Ontario, where Courtaulds (Canada) Limited have their plant.

While the immediate physical evidence of growth and prosperity may seem to be restricted to this one community, actually the effect of Courtaulds growth and activity is being felt throughout the length and breadth of Canada's industrial and productive area. The forests, the mines, of Canada—her centres of manufacturing and distributing activity—her transportation systems—her marts of trade and commerce and her savings banks, have all reflected the stimulus which Courtaulds (Canada) Limited has given to Canada's industrial life.

Rayon has arisen in response to a fundamental need—a scientific advance to meet "Everywoman's" instinctive craving for style in apparel at moderate cost. The fact that it utilizes those raw materials with which Canada has been so richly endowed, has helped Canada toward normal commercial and industrial activity.

COURTAULDS CONTRIBUTION
To Canadian Industry
Floor area of Courtaulds plant approximately 650,000 square feet, including new unit.
Paid in salaries and wages in 1933—$1,500,000.
Number of employees prior to operation of new unit 1450.
Over $100,000 was paid for electric power used during 1933.
Over 9000 individual electric motors now being utilized.
Purchases of Canadian raw materials in 1933 amounted to $850,000.

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Plant and Head Office: CORNWALL, ONT. Sales Offices: 159 Bay Street, TORONTO. Trade Service Offices: University Tower, MONTREAL

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130 DAYS • 32 PORTS

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Any Canadian Pacific Agent

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SALE OF ENO CO. NETS $12,425,000, BOTH A & B AT $37

English Buyers of International Proprietaries to Float New Company

International Proprietaries, Ltd., in a letter to shareholders, has announced that the company has been sold to the London & Yorkshire Trust for £2,559,414. Shareholders of both A and B stocks will receive £7 10s. per share, with the option of taking $37 in Canadian funds. Shares are to be deposited with the Bank of Montreal, Yonge & Front Sts. Branch, Toronto.

Get $12,425,000

Translated into Canadian funds, this means that International Proprietaries has brought a total price of approximately $12,425,000 for the 335,765 outstanding A and B shares. The principal asset of the company was the holding of all capital in the J. C. Eno Ltd., manufacturers of Fruit Salts. This was acquired by the late Harold F. Ritchie in 1928, for a price said to be in the neighborhood of $8,000,000. Along with the Thermogene Co., and Globe Distributors and a substantial interest in Minards Liniment Co., it was taken over by International Proprietaries, a holding company incorporated in 1928.

Since that time manufacturing plants throughout the world were added, as well as selling agencies. After the death of Mr. Ritchie in February, 1933, the company was controlled by his estate, through the control of the Class B shares.

Recently, however, The Financial Post understands, Mrs. Ritchie, who was the principal executor of the estate, expressed the desire to give more attention to private matters and thus paved the way for the sale of control to British interests.

Float New Company

A new public company called Eno's Proprietaries has been registered in Great Britain with a nominal capital of £100. This is regarded as a preliminary step to the public flotation of J. C. Eno & Co. Under the auspices of the London and Yorkshire Trust, a public offering of shares is expected in the near future. Advice from the United Kingdom indicates that these will likely take the form of 5½ per cent £1 preference shares and a 5s. common share, the latter to be issued at a premium.

PROFITS HIGHER BY LAURA SECORD YEAR JUST ENDED

Earnings About $4 Per Share Indicated — Recent Sales Up

Sales and profits of Laura Secord Candy Shops are understood to have been slightly better for the fiscal year which ended Sept. 30, 1934. Indications point to something better than $4 per share earned on the common stock, of which there are 57,500 shares outstanding, as compared with $3.79 in 1933.

In the last few months, it is reported, business has improved while previous to that it was running on a par with the corresponding period a year ago. The company's subsidiary, Candyterias Ltd., which operates five shops in Toronto and two in Montreal, where a cheaper candy is sold, is also reported to have done a very satisfactory business.

Sugar Tax

Two changes during the year, the reduction in the sugar tax and the freer sale of beer and wine in Ontario, do not seem to have had much effect on the sales or earnings of Laura Secord. The change in the sugar tax from two cents to one cent per pound, which was made in early summer, came too late to make much of an impression as the peak of the candy season occurs around Christmas, with another rush for supplies at Easter. The fact that sales of candy since July, when the new beverage law came into effect, have been actually higher than a year ago, would indicate that nothing is to be feared from that source.

Approximate gross sales of candy by the company for the 12 months ended Sept. 30, 1933 were $1,642,000 as against $1,901,000 the year previous. Something between these two figures is indicated for the year just closed. After the regular dividend of $3 per share there was surplus of $45,537, in 1933 which brought the total carried forward to $987,043. Of total current assets of $1,568,833. there were government, municipal and other bonds valued at $1,388,751 and cash at slightly over $67,000, against $40,000 in current liabilities.

SECOND DIVIDEND GORDON & BELYEA ON 7 P.C. BASIS

Gordon & Belyea Ltd., has announced a quarterly dividend of 1¾ per cent payable Oct. 1 to shareholders of record Sept. 27. This is the second quarterly payment on the full 7 per cent basis this year.

Owing to difficult conditions affecting British Columbia primary industries, only partial dividend payments were made by the company from July 1, 1932, until April of this year.

The company conducts a wholesale hardware and ship chandlery business in Vancouver, and following improvement in the lumbering, mining and fishing industries of British Columbia during the past two seasons, substantially better business is reported by Gordon & Belyea.

May be Permanent

This continued improvement in the trend of general business makes it possible that the present 7 per cent rate per annum will be maintained. No announcement has been made in regard to arrears in dividends which at last April were understood to have amounted to $10 per preferred share.

Maritime Probe Follows Duncan Recommendations

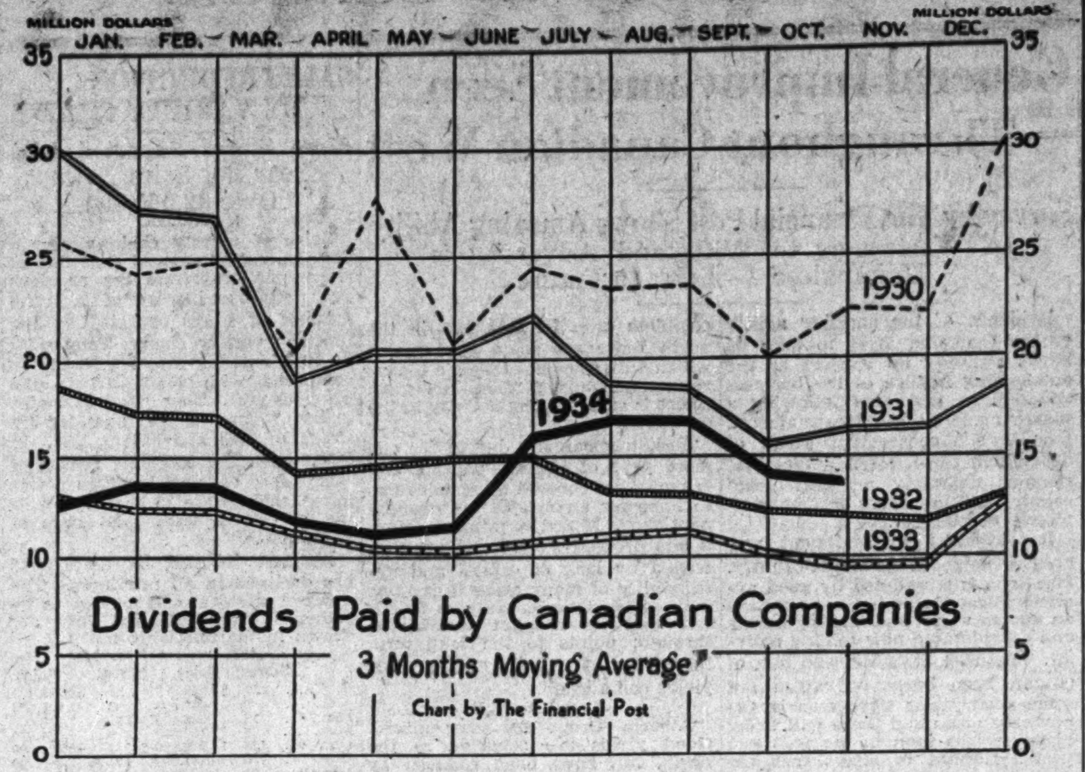
From Our Own Correspondent

OTTAWA.—The terms of reference to the White Royal Commission to investigate claims of the Maritime provinces for a better financial arrangement with the Dominion, were announced this week. The terms of reference are set out in the order-in-council creating the commission.

The reference is couched in these terms:

"The minister is of the opinion that it is expedient in the public interest that a commission, as requested by the premiers of the three Maritime provinces, be set up to take into consideration and deal with the recommendation of the Duncan Commission that there be a revision of the financial arrangements between the Dominion Government and the Maritime Provinces. The Minister, therefore, recommends that for the purpose of making such enquiry and examination and formulating such recommendations a Royal Commission be constituted."

Canadian Corporation Dividends Gain 30%



Dividend payments by Canadian corporations in 1934 are running over 30 per cent above the corresponding figure of last year, The Financial Post estimates. As actual monthly payments fluctuate very widely, The Post has charted the payments of the past five years on a three months moving average to show the trend during the depression. A further adjustment was made in June to allow for a change in dividend policy by two of the largest Canadian corporations which changed their payments from a quarterly to a semi-annual basis.

Corporations' Dividend Policy Measures Trend of Business

124 Changes To-date—Estimate Payments $176,583,419 For Current Year—Financial Institutions Take Lead in Reducing Payments

From Our Own Correspondent

MONTREAL.—The query "how is business?" cannot always be answered by quoting government statistics on carloadings, bank debits, production, etc., but a satisfactory answer is to be found in looking over the dividend record of corporations since the beginning of the year.

Going on the basis of what already has been paid by Canadian corporations to their shareholders in the form of dividends, it is estimated by The Financial Post that disbursements for 1934 will amount to $176,583,419. This is in contrast to $134,679,359 for 1933 and $164,962,592 for 1932 and represents an increase of over 30 per cent for the present year compared with 1933. Common dividend payments alone in the first half of 1934 have been estimated as approximately 47 per cent higher than a year ago, the total distribution in the first six months of 1934 being placed at over $83,000,000.

Betterment is Noted

Records compiled on dividend payments since the beginning of the year show a distinct improvement month by month compared with last year. In some cases the amount paid out by Canadian corporations to their shareholders dropped below the 1933 returns. The June total which is the highest since 1930, needs some explanation, however, in that for that month, payments were swelled tremendously by changes in dividend policies by Imperial Oil and International Petroleum. These companies increased their rates, but also started to pay dividends semi-annually, so that the former quarterly September payment was really included in the June disbursement. The increase for the eight months, however, has been substantial, and clearly indicates that business has become more profitable.

December, 1934, is expected to be a month when dividend payments will be unusually heavy—at least unusual in so far as the past four years are concerned.

Trend is Healthier

The trend of dividend payments by Canadian corporations month by month over the past five years follows. It should be noted that these returns do not include bond interest. the total of which would add many millions to payments made by corporations.

Dividend Payments by Canadian Companies

	1934 $	1933 $	1932 $	1931 $	1930 $
January	14,416,545	13,854,450	20,400,598	27,959,397	30,310,039
February	3,783,396	3,335,428	4,095,424	5,101,369	7,946,299
March	17,267,509	16,754,000	18,944,826	24,376,795	22,770,591
April	12,265,579	11,602,414	21,273,875	32,126,789	32,634,632
May	4,793,184	2,931,000	4,674,523	5,301,127	6,530,454
June	41,938,738	17,497,407	19,342,689	28,899,218	33,847,306
July	16,422,866	12,672,273	16,008,127	21,908,004	29,301,051
August	4,463,924	3,260,000	4,391,902	4,967,051	7,037,106
September	9,731,678	14,271,323	16,049,340	19,765,080	23,668,508
October	13,849,280	11,807,000	15,919,557	24,451,599	35,885,965
November	......	3,656,148	3,652,381	4,756,132	6,738,450
December	......	23,037,916	20,209,250	26,738,555	47,921,152
Total		134,679,359	164,962,592	226,351,116	284,641,548

Over the last nine months 41 Canadian companies have restored or placed their capital stock on a paying basis, while 35 have increased the distribution of profits to shareholders. There is also the other side of the picture, however for nine companies have omitted to pay their regular dividend, while 39 companies have decreased the dividend on common and preferred stocks.

Balance in Favor

Taking the situation as a whole it is seen that the nine companies which have omitted to pay dividends are more than offset by the 41 companies which have re-entered the list. The number of companies that have decreased payments is about offset by the number which have increased dividends, so the record would clearly indicate that industry as a whole is doing appreciably better in 1934 than was the case in 1933.

In breaking down the dividend record for this year some interesting sidelights are gained on the condition of business in the Dominion. The returns, covering publicly financed companies only, are complete to a point where those companies overlooked would make no appreciable difference in the general summary. Accordingly the compilation made by The Financial Post is an accurate, cross-section of business in many lines of activity.

Financial Firms Hit

One of the interesting deductions made from an examination of the dividend records is that 1934 has not been a favorable one for banks, trust and loan companies. This group collectively account for a majority of the decreases reported in dividend payments. The banks, as is well known, have had their earnings cut into rather sharply in the last two or three years. The needs of industry and commerce have not been so great, while the investment of surplus funds in government securities has resulted in a lower income. Three of the nine dividend paying chartered banks have maintained their rate, but the other six have reduced payments. The list follows:

Bank of Montreal
Bank of Nova Scotia
Banque Can. Nationale
Can. Bank of Commerce
Provincial Bank
Royal Bank of Canada

Mortgage Field Affected

Conditions in the trust and loan field have probably been worse than in any other line of financial or industrial activity. Mortgages on urban and rural property have not been so productive of income as in other years. Many mortgagees have defaulted on payments of interest and principal. Deferments have been heavy, with the result that the trust and loan companies have had to sail close to the wind. The records show that not one company in this group have increased dividends, but, as the following list shows, 14 have reduced their disbursements to shareholders:

British Mortgage & Trust
Eastern Canada Savings
Guelph & Ontario Invest.
Huron and Erie
Industrial Mortgage
Lambton Loan & Invest.
Landed Bank and Loan
Midland Loan & Savings
Montreal Finance
Montreal Loan & Mortgage
National Trust
Real Estate Loan
Toronto General Trust
Waterloo Trust & Savings

Insurance Breaks Even

With lower incomes from investments and premiums, etc., it is to be expected that insurance companies would be feeling the pinch of the last few years. Though they are not so prosperous, it is interesting to note that the British America Assurance and Western Assurance companies have resumed dividend payments on their common stock this year. Confederation Life decreased its dividend, while Dominion Fire paid out more to shareholders. Most life insurance companies are still maintaining a very conservative policy in respect to shareholder dividends, and will probably continue to do so until the financial and investment situation becomes more stabilized.

Textile Firms Do Well

The textile companies have little to complain about business in the past twelve months. They would appear to be better off than most branches of industrial activity, judging by their dividend record. In the following list of 10 companies, 5 have restored the dividend, four have increased the dividend and the other has omitted payments.

New or Resumed	Increased
Acme Glove	Cosmos Imp.
Biltmore Hats	Dom. Textile
Bruck Silk	Tip Top Tailors
Can. Cottons	Riverside Silk
Monarch Knit	**Omitted**
	Guelph Carpet

Mines Set the Pace

While the banks and financial companies have been reducing their dividend payments, mining companies have been doing the opposite. During all of 1933 the metal mining companies paid $28,312,634 to their shareholders in the form of dividends. Yet up to the middle of September, the metal mines, according to a compilation made by The Financial Post, have paid out $37,084,917 in dividends. With three and a half months to go, it is to be expected that these companies will increase their payments for 1934 to well in excess of the $40,000,000 mark.

Canadian metal mining companies have a remarkable dividend record to their credit. It is not generally appreciated that they have contributed over half a billion dollars in dividends to their shareholders. Up to the end of 1933 the metal mines had paid out $535,487,252. Of this amount British Columbia metal mines contributed $120,512,103; Nova Scotia, $47,928; Ontario, $400,623,662; Quebec, $14,302,559.

Record is Outstanding

The showing made by the Canadian metal mines for 1934 is such an outstanding one that the following table is included to show the manner in which this section of Canadian industry is contributing new wealth in the form of dividends.

Dividends Paid in Calendar Years

Mine	Paid in 1933	Paid 1934 to date
British Columbia		
Bralorne	......	4,425,000
Cons. M. & S.	▲1,478,275	1,628,687
Howe Sound	620,128	1,076,930
Pioneer	735,735	1,138,637
Premier	628,571	600,000
Former payers	....	....
	3,462,709	4,869,254
Ontario—Cobalt Area		
Coniagas	96,415	95,790
Nipissing	....	150,000
Former payers	....	....
	96,415	245,790
Porcupine Area		
Buffalo Ankerite	43,200	70,200
Dome■	1,716,001	2,860,002
Hollinger	4,182,000	5,412,000
McIntyre Por.■	1,496,250	1,197,000
Former payers	......	......
	7,437,451	9,539,202
Kirkland Lake		
Lake Shore	6,000,000	5,000,000
Sylvanite■	164,975	659,900
Teck-Hughes	2,884,286	2,643,929
Toburn	......	111,000
Wright-Hargreaves	1,512,500	3,025,000
Former payers	......	......
	10,561,761	11,439,829
Sudbury Area		
Falconbridge Nickel	812,610	655,741
Inter. Nickel•■	1,933,899	7,038,355
	2,746,509	7,694,096
Western Ontario		
Howey	......	300,000
	20,845,721	29,218,917
Manitoba		
San Antonio	......	111,565
Quebec		
Noranda•	3,359,658	2,239,772
Siscoe	644,546	645,409
	4,004,204	2,885,181
Grand total, Canada	28,312,634	37,084,917

• Preferred and common.
▲ 10 per cent stock dividend paid March 1, 1933. ■ U. S. funds.

New Dividend Payers

Since the beginning of this year 14 companies have entered the select list of dividend-payers. Ten operators have increased their distribution to stockholders, while three others (all gas or oil producers) have omitted dividends. The record of this field follows:

New or Resumed	Increased
Acme Gas	Dome
Bralorne	Howe Sound
Smelters	Hollinger
Gachin	Intercol. Coal
Howey	Inter. Pete
Inter. Nickel	McIntyre
Mercury Oils	Pioneer
Model Oils	Siscoe
Nipissing	Sylvanite
Petrol Oil	Wright-Harg.
San Antonio	**Omitted**
Toburn Gold	Ajax Oil
United Gold	Spooner Oils
Wainwright Oil	Ster.-Pacific

An improvement in business and an increase in dividend payments would naturally be reflected in the showing of holding companies. It is interesting to note, therefore, that of 5 companies who have changed their dividend policy this year, three have increased payments, while two have lowered payments. Those which have increased dividends follow: Canadian Foreign Investment, Canadian General Investments, and Second Standard Royalties, Economic Investment and London Int. Trustee have reduced payments.

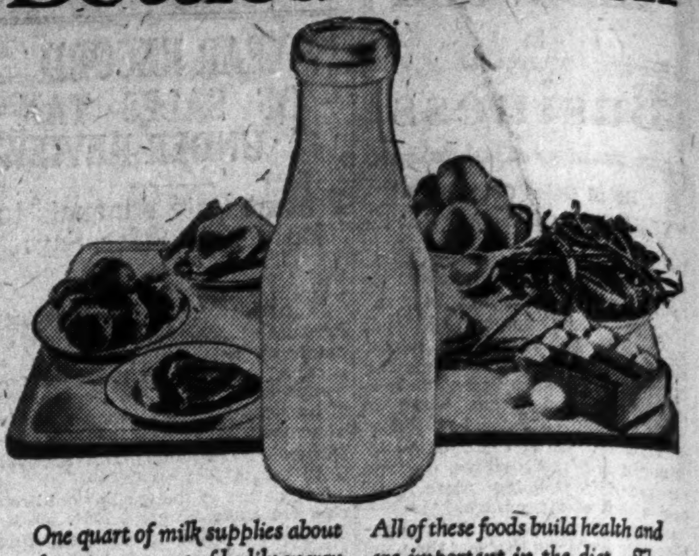
Turning to the general industrial field, the dividend record clearly shows that the majority of companies listed are experiencing better times. Nineteen of the 54 companies listed have restored either their preferred or common stocks to a dividend paying basis, while 17 have increased the distribution. Only 11 have cut dividends, while 6 have omitted to make payments.

The companies included in this category and their record follows:

New or Resumed	Increased
Agnew Surpass	Bright & Co.
Assoc. Brew.	Chase, A. W.
Barcelona Trac.	Can. Northern
Brewers & Dis.	Can. Industries
Brewing Corp.	Goodyear Tire
Champlain Oil	Great Lakes Pwr.
Cons. Bakeries	Imperial Oil
Crescent Creamery	Loblaw
Can. Wallpaper	Med. Hat Green.
Can. Wire Boxes	Mont. Tramways
Foundation Co.	McColl-Frontenac
Greening Wire	Niagara Wire W.
Langley Ltd.	Ottawa Power
Loews London	Thayers Ltd.
Marcus Loews T.	Thrift Stores
Nat. Grocers	Whittall Can.
New Method L'dry.	**Decreased**
Photo Engravers	Burt, F. N.
Stop & Shop	Can. Bronze
Weston, Geo.	Can. Gen. Electric
Omitted	Can. West. N. Gas
Eastern Theat.	Fanny Farmer
Growers Wine	Hunts Ltd.
Int. Hydro-Elec.	Maritime Tel.
Lindsay, C. W.	N. S. L. & P.
Nat. Sewer Pipe	Russell Motor
North Star Oil	S. Can. Power
Standard Steel	Steel of Can.

It might be said that most of the dividend changes have taken place in connection with preferred, rather than common stocks. This is not borne out by the survey, which shows that of the 124 companies analyzed, changes in dividend affected 87 common stocks and 37 preferred stock issues.

Bottled Health



One quart of milk supplies about the same amount of bodily energy as 9 eggs, or ¾ lb. beefsteak, or ⅚ lb. chicken, or 6¾ oranges, or 2 lb. potatoes, or 3 lb. string beans.

All of these foods build health and are important in the diet. The comparison merely brings out the essential part milk plays in contributing fuel or energy to the diet.

MILK, as an all-round food, is one of the most essential of our everyday foods. Milk gives you much for little. In choosing your foods, be sure that milk is among the first on the list.

For health, milk is conceded to be the almost perfect food. It contains practically all the elements that the human body needs: minerals, vitamins, proteins, sugars and fats—all necessary for building a healthy body and for warding off disease.

The form in which milk is taken is not important. Some persons like it cold. Others take it when they are ready for sleep and prefer it hot. Still others like it better when it is flavored with cocoa or chocolate or used in soups, sauces or desserts.

Milk should not be regarded as a beverage; it is a food. Sip it slowly; get the flavor out of it. Don't use it merely to quench thirst, and don't drink it rapidly. The gastric juice of the stomach causes milk to curdle shortly after you swallow it. If milk is drunk rapidly digestion is likely to be slow and difficult.

Children especially need plenty of milk. Rest has no charm for them. No healthy child will stay parked while awake. He waits a minute or two perhaps, and then he is an acrobat again. An active, growing child must have fuel and building material for his body. Give him good, fresh milk—a quart a day if you can. And give the grown-ups a pint a day. For underweights and convalescents, a quart. For expectant or nursing mothers, a quart.

Milk has unsurpassed food value. To take milk regularly is the surest and easiest way of making certain that you give your body the variety of food materials it needs to keep you in good physical condition.

To know milk as you should know it, ask for a free copy of the Metropolitan booklet "Milk—An All-Round Food." Address Booklet Department 10-F-34

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SECOND SECTION

Vol. XXVIII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 13, 1934 | 10c a Copy; $5.00 a Year | No. 41

Constitutional Issue in Canada Stands at Parting of the Ways

Prospects for Bennett Conference Slim, but Lawmakers Face Critical Issue in Charting Canada's Constitutional Future—History of B. N. A. Act Shows Provincial "Rights" Claim is Post-War Phenomenon Upsetting 50 Years of Precedent

By GRANT DEXTER

While it is easy to see how the constitutional issue arose, to point out the inefficiency of current methods of overcoming our defective constitution and the urgent need of a revision of the British North America Act, the problem of finding a solution which is practical from a political viewpoint remains unsolved.

If the coming Dominion-provincial conference finds this solution, it will indeed be entitled to the gratitude of the country. But the prospects are not bright and, with the conference still some weeks distant, it would appear that the deliberations are more likely to be productive of political issues than of worthwhile achievements.

In Deep Waters

This, unfortunately, is no cynical view. In the past two decades, as will be shown, the constitutional issue has been allowed to drift into very deep waters. The provinces have succeeded first in persuading and finally in compelling the Dominion to concede them constitutional rights which the Fathers of Confederation and the federal public men who succeeded them would never, for a moment, have entertained.

May Be Election Issue

It may be predicted that unless the provinces show a much more reasonable attitude than advance reports would indicate, the conference will either end in stalemate or in an open breach between the Dominion and the provinces which will go for decision to a general election.

It is surprising the number of competent observers at Ottawa who take the view that this is the foregone result of the conference. And it is because of this fact—that more than likely the chief issue of the next election will come out of the conference—that great importance attaches to the record of constitutional amendments.

As stated, advance reports from the provinces give no indication that the wishes of the Dominion will be respected. Premier L. A. Taschereau, of Quebec, has been always a vigorous champion of provincial rights and his opposition to any enhancement of Dominion jurisdiction at the expense of the province goes without saying.

The governments of the Maritime Provinces are generally thought to be favorable to a rewriting of the constitution, although little love is lost between the Macdonald Government of Nova Scotia and the Bennett ministry at Ottawa.

Ontario Turns About

The Hepburn Government of Ontario which was believed favorable to constitutional amendments, is now reported, authoritatively, to have reconsidered the position.

Mr. Bennett seeks, in particular, power to regulate hours of labor and wages and within recent weeks Hon. Arthur Roebuck, attorney general of Ontario, has stated specifically that the province is not prepared to surrender this jurisdiction.

West Only Lukewarm

West of the Great Lakes it is becoming increasingly obvious that Mr. Bennett will encounter difficulty, Premier J. G. Gardiner of Saskatchewan, has made more than one truculent reference to the Dominion's hopes of enlarged constitutional powers. The Bracken Government, in Manitoba, is, to put it mildly, shy of immediate amendments and inclined to the view that more emphasis should be placed on the devising of machinery of amendment.

The Alberta Government, so far as may be learned, is favorable to constitutional reform at once, but the British Columbia Government shows strong tendencies to line up with Ontario and to insist upon retention by the provinces of their present authority to deal with social matters.

Political Crisis Possible

That there will be strenuous provincial opposition to federal proposals calling for the transference of constitutional power from the provinces to the Dominion, goes without saying. So much so that the Canadian Press in a dispatch of October 3 from Ottawa clearly recognized the possibility of a political crisis.

History Throws Light as to Custody of Rights

All this, of course, would have been mystifying in the extreme to the Fathers of Confederation and the public men who ruled this country from 1867 to the Great War. Historically and legally, the provinces have no right whatever to be consulted with regard to amendments to the constitution. Their claim to the right of veto, to the right of consultation, is a post-war development for which the present generation of our federal leaders is responsible.

The claim of the provinces is that they were and are partners in Confederation; that their consent to constitutional changes is essential to the protection of minority and of so-called provincial rights.

Parliament Not Provinces

Careful study of the Confederation debates, reveals that at no time were the provinces even considered as the true defenders of minority rights. This is a point of immense importance.

The Fathers of Confederation and, particularly, the political leaders of Quebec at the time had very clear ideas concerning the protection of minority rights. And they did not entrust them to such vincible hands as those of the provinces. In the scheme of confederation the real protectors of minorities are the members of Parliament from any particular province affected.

This will be found to be the position taken by the French-Canadian leaders of the confederation period. And a brief glance at subsequent history will vindicate their judgment. That minority rights can be protected only in Parliament and not by provincial governments was strikingly illustrated in the Manitoba school question — the issue which defeated the Conservatives in 1896.

Still later the effectiveness of parliamentary action as against provincial action was conclusively demonstrated in the battle over the autonomy bills in 1905. So much so that Sir Wilfrid Laurier is reported to have declared that never again would he introduce into parliament a measure containing the word "school." The point in both illustrations is that the final test came in Parliament, where the provinces, as such, are silent.

B.N.A. Act Not a Pact

As for the claim now advanced by some of the provinces that the British North America Act was a pact between the new Dominion and the provinces, this is surely untenable. There was nothing final or unchangeable in our constitution, as viewed by its makers. On the contrary many important provisions were mere makeshifts designed to achieve agreement for the time being and to be revised later on when the new machinery was in operation.

Thus when the first constitutional amendment (providing better financial terms for Nova Scotia) was under debate in 1869, Sir Charles Tupper made the interesting revelation that the financial clauses of the B.N.A. Act had never been intended to be permanent. It was distinctly understood at the Quebec conference that these clauses were only to be temporary and that permanent ones were to be framed later on.

Provincial Rights Test

The claim that the provinces held the right of veto over constitutional amendments was advanced in Parliament very soon after Confederation but was not regarded as of sufficient importance to merit discussion. One of the first tests of this theory came on June 16, 1869, when Hon. L. H. Holton, Liberal from Chateauguay, Quebec, moved a resolution expressing this viewpoint. The resolution was not even discussed by a member of the Government and was voted down.

In the Senate a few days later, a similar test took place. Senator J. S. Sanborn moved: "That the bill be now read a second time, but be it resolved that inasmuch as it involves a change of the basis upon which all the provinces entered into Confederation, such change cannot be made except upon the consent of each province so confederated." This motion was lost 32-12.

Lost Again in 1871

Again in 1871, when British Columbia was brought into Confederation, the provincial veto was asserted unsuccessfully. E. D. Bodwell, member for South Oxford, moved, (March 31):

"That the proposed terms of union with British Columbia provide for a representation in the Senate by three members and in the House of Commons by six members, while its population is about 10,000, and that such representation is enormously in excess of the proper number, according to population, and is in violation of the fundamental principle of the constitution, a principle which ought not to be disturbed without the consent of the provinces." This amendment was defeated 87-58.

Veto Never Recognized

On numerous occasions the right of the provinces to be consulted and if they so desired to veto constitutional amendments was faced in Parliament. From 1867 to 1924 this right was invariably denied. Even in latter years when federal leaders have weakened on this point, the claims of the provinces have never been recognized in any vote in Parliament. The enactment at Ottawa of the Statute of Westminster comes about as close to an admission of provincial rights as Parliament has ever given.

In fact, therefore, it was not intended by the Fathers of Confederation that the B.N.A. Act should be final and unchangeable. It was most emphatically not intended that the provinces should have any say whatsoever with respect to constitutional amendments. Protection of provincial and minority rights, under the constitution, was and is, the business of members of the House of Commons and the Senate.

Way to Amendment Never Made Clear

How then was it intended to amend the British North America Act?

History strongly supports the view that this was not considered an important point by the Fathers of Confederation. Post-confederation events prove there was no clear-cut method of amendment. There have been a score or more of amendments but the procedure to be followed did not become fixed until 1871.

Record of Early Changes

The first constitutional change came in 1869 when better financial terms were extended to Nova Scotia. This change was made by legislation introduced and debated at length in Parliament. The Manitoba Act went through in 1870 and the British Columbia Act in 1871.

In 1871, however, a major development occurred. These early bills, while changing the terms of the constitution, had been enacted only by the Canadian Parliament. The B.N.A. Act, of course, is a British statute, and unless changes in it were made by the British Parliament it might be argued that no amendment had taken place. In February 1871 it became known that Sir John A. Macdonald had asked the British Government to validate the Manitoba Act by statute and that the British Government proposed to do so promptly. This was the first technical amendment to the constitution.

Sir John's Defense

Doubt of the constitutionality of the Manitoba Act of 1870 had arisen with respect to the members elected from that province. In defending his action, Sir John (February 16, 1871) is reported as follows, in Hansard: (There was no verbatim report in those days).

"In his reply he stated there was in his opinion a doubt as to the appointments of senators from Manitoba and perhaps as to some other clauses of the bill, and that they would be carefully considered; and that if it was thought on mature consideration, that there was any doubt as to the constitutionality of those provisions, steps would be taken to procure their constitutionalization, if he could use such a word, by an act of the Imperial Parliament.

"On his return to Ottawa, after an absence of some months, he examined the case carefully and made a report upon it, which was made the basis of an order-in-council, which was transmitted by His Excellency to the secretary of state in England. They had received in return the draft of a bill for the purpose of confirming that act and all proceedings under it, and also making all provision for the future with which he would not now trouble the house."

Censored By Blake

In the debate which ensued the question of amending the constitution was dealt with at length. The man who, more than any other, clarified the issue and fashioned the machinery of amendment which, with one lapse, was to be followed in the future, was Hon. Edward Blake.

Mr. Blake severely censored Sir John for having gone about the business of amending the constitution in this way. He contended that the proper method of procedure was for all constitutional amendments at London to be preceded by a resolution introduced, debated and approved in the Canadian Parliament (Commons and Senate) and that the British Parliament should only take action after receiving such a resolution.

Commons And Senate Must Approve

It should be noted that at no point did Mr. Blake claim that the provinces should be consulted. Nor did he argue that the provinces had any rights in the matter. It was argued, however, and with great force that the rights of the provinces could best be protected if all amendments to the constitution had first, to be approved by both houses of parliament.

Thus Sir Alexander Galt, (page 607, Hansard of 1871) is reported: "The matter was one of great importance for the only security the provinces had was that their constitutional rights could not be changed by any government that might be in power, but by Parliament only."

The result of this debate was the fixing of the procedure of amending the constitution: "That this house is of the opinion that no changes in the provisions of the British North America Act should be sought for by the executive government without the previous assent of the Parliament of this Dominion."

Only One Violation

But this procedure, adopted unanimously in 1871, was violated in 1876 when the Mackenzie (Liberal) Government sought and obtained an amendment to the B.N.A. Act exactly as Sir John A. Macdonald had done in 1871. The amendment itself was trifling in character, but the government was roundly censured. Premier Mackenzie promptly apologized and promised thereafter to follow the procedure laid down in 1871.

Thus attempts at the time of Confederation and immediately after, to establish the right of the provinces to veto constitutional amendments failed. It may be said, truthfully, that the provinces were not considered to have the slightest direct interest in this matter. The machinery of amendment was firmly established, as outlined, and in succeeding decades the constitution was amended on numerous occasions and always by way of a resolution of both House of Parliament at Ottawa.

Provincial Rights Affected

It may be claimed that these amendments were not of a kind which vitally involved provincial rights. But this is untrue. Several of the amendments wrought fundamental changes in the original pact of Confederation. For example, successive amendments disturbed the original balance of representation in the Commons, giving greater influence to particular sections. A case in point is the autonomy bills of 1905; another the amendment guaranteeing a minimum representation in the Commons to provinces whose influence was threatened with extinction.

Final Test in 1907

But the final test of the rights of the provinces to exert any control over constitutional amendments came in 1907 when Laurier revised the subsidy sections of the B.N.A. Act—perhaps the part of the statute of greatest importance to the provinces. He called a Dominion-provincial conference at Ottawa but failed to obtain unanimous approval of his policy.

Two provinces contended that the proposed revision was unfair and unjust—Prince Edward Island and British Columbia. Laurier persisted and Premier Richard McBride of B.C., decided to put the provincial veto theory to the test. He returned home and put through the B. C. legislature a resolution opposing the adoption of the new Federal subsidies and took it to London where he presented it to the British Government. He did so in the belief that the British Government would not grant the prayer of the resolution endorsed by the Canadian Parliament and that his action would cause Laurier's plan to fail. But, apart from one or two changes of phrasing, the amendment proposed by the Canadian Parliament was accepted. McBride's resolution went into the waste paper basket.

Post-war Leaders Reverse 50-year Viewpoint

Thus for more than 50 years, Canada did not deviate from the method of amending the constitution laid down in 1871. The claim of the provinces to be heard, their claim to the right of veto, was simply brushed aside as worthless.

But from the close of the war onward, a noticeable change came over the constitutional picture. The provinces rose steadily in importance; won a succession of constitutional victories before the privy council. Then in 1924, in a constitutional debate in the Commons, came statements from party leaders which gave great weight and importance to the provinces in a field into which they had hitherto failed to force entry.

Rt. Hon. W. L. M. King remarked (page 522 Hansard: "Take the one matter of the right to amend our constitution; if the representatives of the Dominion Government and the representatives of the provinces met together, framed any amendment they wished to the B.N.A. Act, etc., etc."

Rt. Hon. Arthur Meighen (pages 524-26) followed with a statement that the British North America Act was a "contract" between the Dominion, the provinces and the British Parliament, as well as between minorities and majorities. All these, he said, must agree if their rights were not to be infringed.

Sought To Retract

It is probable that Federal public men, after making these statements realized they had fitted themselves into a constitutional straight-jacket from which escape would be next to impossible. It is apparent that in succeeding years they endeavored to whittle down their commitments.

At the Dominion-provincial conference of 1927, Hon. Ernest Lapointe, spokesman for the government of the day, advanced a plan by which amendments might be made. On the matters affecting minority rights, the consent of all provinces would be required. This, of course, was meaningless as no one has ever suggested interference with such rights. On general matters, he believed consent of a majority of the provinces should be adequate. And on purely Federal matters consent of the provinces ought not to be required.

The Challenge of Westminster

This proposition was discussed but consideration of it never got beyond that stage. And in the meantime, Imperial conferences were rapidly carrying the British Dominions nearer to enlarged powers. The movement for greater Dominion autonomy culminated in the enactment at London of the Statute of Westminster.

By this time the provinces were very aggressive regarding their constitutional rights and they promptly asserted in reverse their right of veto. Hon. Howard Ferguson, of Ontario, issued a statement, late in 1930, declaring that the repeal of the Colonial Laws Validity Act (one result of the enactment of the Statute of Westminster) would give to the Dominion unfettered power to amend the constitution. He demanded that the provinces be consulted and their assent obtained before Premier Bennett committed this country to the repeal of this act He was supported vigorously by Quebec, Saskatchewan and British Columbia.

Mr. Bennett Yields

Fifty years earlier such a claim would have been dismissed at Ottawa as presumptuous. But Mr. Bennett, apparently, could not resist it. He announced that his government would arrange things so that the Statute of Westminster would not be extended to Canada except in response to a request from the Parliament of Canada and that he would confer with the provinces prior to such action.

He held a conference in April, 1931, at which the provinces agreed to the Statute of Westminster. Their agreement, however, was obtained only on condition that a clause be included in the act, as follows: "The powers conferred, by this act upon the Parliament of Canada or upon the legislatures of the provinces shall be restricted to the enactment of laws in relation to matters within the competence of the Parliament of Canada or of any of the legislatures of the provinces."

First Provincial Victory

This is the first time the provinces were given rights in this matter. It was, indeed, a decision of far reaching importance, and there are not lacking evidences that the Bennett Government now realizes a major error was made in acknowledging provincial rights in this regard. It may well be that the Bennett Government will seek to recover the ground lost and to re-assert the traditional view that Parliament alone has power to recommend constitutional changes and that this power is unfettered.

Major Issues Facing Coming Conference

A glance at Mr. Bennett's agenda for the forthcoming constitutional conference will indicate the importance of what has been said regarding the right to amend the B.N.A. Act.

Agenda of Proposed Conference

Mr. Bennett wrote to the provinces on August 31, as follows:

"As I indicated at the meeting with the provincial premiers in July last, it is my purpose to call a conference of representatives of the governments of all the provinces to meet at Ottawa before the end of the year to discuss with the Federal Government the following questions and such other matters as may be placed upon the agenda after I have been advised of the views of the premiers of the several provinces:

"1. What steps can be taken to reduce the evils of duplicate taxation and provide a more logical allocation of sources of revenue now available to Dominion and provinces.

"2. Are the provinces prepared to surrender their exclusive jurisdiction over legislation dealing with such problems as old age pensions, unemployment and social insurance, hours and conditions for work, minimum wages, etc., to the Dominion Parliament? If so, on what terms and conditions?

"3. Is it desirable to endeavor more clearly to define the respective jurisdiction of the Parliament and provincial legislatures with respect to health and agricultural and other matters in which there is a duplication of effort by federal and provincial authorities?

"4. Consideration of the extent to which there may be more complete co-ordination of the effort of federal and provincial authorities with respect to research work.

"5. Consideration of the extent to which there may be more complete co-ordination of the effort of federal and provincial authorities with respect to gathering and publication of statistical information and what steps, if any, should be taken to secure uniformity and complete accuracy of Canadian statistics.

"6. In the event of it being determined that the legislative jurisdiction of the Dominion Parliament and provincial legislature as at present defined by the British North America Act should be modified, a determination of the form in which the amendments to the British North America Act should be made."

Two Vital Questions

Obviously questions 2 and 6 are the most important. The provinces are asked to surrender their exclusive jurisdiction over social legislation and, also, are asked to assist in devising permanent procedure for amending the constitution.

The Bennett government desires the first, in order to be able to deal this session with such matters as hours of labor, wages, unemployment insurance and so on. Need for such legislation, it is contended, has been disclosed by the Stevens probe as urgent. In the second, the government hopes to devise some workable method of amending the constitution and thus put an end to the controversies of the past 12 years or more.

Chance of Success Slim

Chances of success at this conference, bright last August, have dimmed with the passing weeks. Quebec's opposition goes without saying. And behind Quebec's apparent intransigeancy lies more than mere political advantage seeking. True, the Taschereau government (like the old Ferguson government) is a profound believer in provincial versus federal rights. More important still, is the fact that social reform must be national and that while power to advance rests with the provinces, Quebec can control the pace. Neither Ontario nor the other provinces can afford to proceed greatly in advance of Quebec.

Ontario and British Columbia have indicated a determination to deal with social questions provincially and have pointed out alleged weaknesses in long distance control by Ottawa.

Two Courses Open

Thus the difficulties of success from the federal viewpoint in this part of the work of the conference cannot be exaggerated. Mr. Bennett, it would appear, will either have to bow to the will of the provinces or revert to the former position and seek to recover his "error" of 1931. He could do so by asserting now that the provinces are powerless to stop the Parliament of Canada from seeking and obtaining a revision of the constitution.

For a government which is close to the end of its term, which has lost heavily in public support, to take such a position would appear most unlikely. Mr. Bennett, himself, in 1933 recognized the need of having the constitutional question tackled by a government fresh from the country, with a clear mandate to do so.

May Devise Machinery

It is more than probable that deliberations of the conference on this point will bring deadlock and, so far as the Bennett government is concerned, an election issue of major importance — if the Prime Minister cares to accept it.

There is, however, more promise of success with respect to the devising of a method of amending the British North America Act. If Mr. Bennett is unwilling to assert the traditional view and take the consequences, if the provinces' claim is to be conceded, some new machinery of amendment is essential. It is here that the conference may do a public service of importance.

Editor's Note—This is the fourth and final article on Canada's constitutional problem written for The Post by Grant Dexter.

USE OF CHEMICALS IN MANUFACTURING GROWS ANNUALLY

Canadian Chemical Industry Seen in Forefront by Bank

The steadily growing importance of the chemical industry, both in itself and as an aide to other industries, is stressed in the current Royal Bank monthly review. Not only does it stand high among Canadian industries with an annual production valued at over $100 millions but its expansion has continued through the depression when other industries had many idle plants, it is pointed out.

At the present time, it is the chemical and electrical industries which are spending the largest amounts on research and the result has been many transformations in other industries. Pointing out that the use of chemicals in industry was in its infancy, the review states, in part, as follows:

Few Precedents

"There are few precedents in the chemical age. Where the conservationist of twenty years ago was afraid that world resources of some commodities would be quickly exhausted, the present theory seems to be that when a material is valued at a high price it is better to sell it quickly or the chemist will bring on a new substitute which will have more satisfactory qualities than the old standard material. In a changing world it is indeed difficult to know what values, if any, may be considered permanent."

Canada's chemical industry first found its feet during the war when the need for explosives forced rapid expansion. On this base, the industry has continued to go ahead. In a broad survey of its history, the review states, in part:

"On the whole, the chemical industry has come through the depression in a notable manner. Not only has there been but little contraction in the volume of production, but the need for new products has led to the building of new plants and the installation of new equipment at a time when a large proportion of the plants of many other industries has been lying idle, at a time, in fact, when lack of confidence in the prospects in other industries has prevented them from securing the capital necessary for normal maintenance and repairs.

Mining Needs

"Some authorities have traced the chemical industry of Canada back to the establishment of a factory for the manufacture of explosives for the mines. Whether or not this was the true beginning of the industry, it is certain that the acute need of the allies for a wide variety of chemicals, particularly those required in the production of explosives, stimulated rapid development during the war. With the start made at that time as a base, the expansion since then has been phenomenal.

"The period since the war has been peculiarly notable because of the tremendous gains of industrial chemistry in many countries. The desire to create a home chemical industry which would render the country relatively independent of foreign resources in the contingency of war, led a number of countries to grant special assistance for the creation or expansion of this industry."

Insurance Rates Down

The reduction in insurance premium rates is shown by the fact that in 1933 the average rate of premium per $100 of value insured was 74 cents as compared with 79 cents in 1932 and 80 cents in the two previous years. In 1924 the figure was $1.02.

TRUSTEES PERMANENT MINN. & ONT. PAPER CO.

Backus Attempt to Recover Control Dismissed — Add New Trustee

Permanent trustees of the Minnesota and Ontario Paper Company have been appointed at the United States District Court at Minneapolis, it is officially announced. These are C. T. Zaffray and R. H. M. Robinson, formerly temporary trustee and S. M. Archer of Minneapolis who was added as a third trustee. The court also authorized the continuance of Mr. Robinson as Business Manager for the trustees.

The action brought by E. W. Backus to recover control of the company has been dismissed. Mr. Backus charged dissipation of assets and sought to regain control on the grounds that his management was more likely to restore the company's earnings power.

The new Corporate Reorganization Act passed at Washington last summer is designed to facilitate the reorganization of corporations. The making permanent the appointment of trustees, is interpreted as a further step toward reorganization of the company.

Board Chairman Retires Wood, Alexander & James

The retirement of G. F. James, vice-president and chairman of the board, has been announced by Wood, Alexander & James Ltd., wholesale hardware company of Hamilton, Ont. W. H. Cooper has been appointed to succeed Mr. James as vice-president and R. Dewart Fleming, of Hamilton, has been elected to fill the vacancy on the board of directors. R. E. Ingraham has been appointed secretary, to succeed the late W. J. Cunningham.

The present officers and directors of the company are as follows: S. H. Alexander, pres.; W. H. Cooper, vice-pres.; R. E. Ingraham, sec. Directors: S. H. Alexander, W. H. Cooper, W. S. Burrill, R. Dewart Fleming, Hamilton, Ont.; L. M. Green, Toronto, Ont.

Sir Herbert Holt's First Flight

Sir Herbert Holt, president of the Royal Bank of Canada, recently became a member of the Montreal Light Airplane Club and went for his first flight in one of the club's planes. He is shown above in the front cockpit just prior to the take-off.

P.E.I. Marketing Board Members Elected

Personnel of the Prince Edward Island Marketing Board to control the marketing of natural products under the Federal Marketing Act is announced.

Members of the new board are: Lt.-Col. G. E. Full, Charlottetown.; J. A. Gilies, Charlottetown; Chester P. McCarthy, Tignish; W. R. Shaw, Charlottetown; James J. Trainer.

August Coal Output Increased 100,000 Tons

Canada's coal production in August advanced to 1,094,340 tons from the preceding month's total of 991,023. The August output during the past five years averaged 972,680. Bituminous coal output amounted to 947,137 to sub-bituminous 15,185 and lignite 132,018.

Nova Scotia mines produced 605,327 tons or an increase of 40.9 per cent over August, 1933, total of 429,711. Alberta operators mined 296,966 tons, a large increase. British Columbia produced 138,538 tons as compared with 126,280 a year ago. An 11.9 per cent advance was recorded in Saskatchewan's production. New Brunswick's output rose 12.1 per cent.

Western Universities Save By Curtailing Duplication

For the past three years the provincial universities in the four western provinces have been co-operating in an important measure of economy.

With the onset of the depression it became apparent that the provinces had invested more capital in university buildings and equipment, and were carrying a larger expense for salaries of professors, etc., than the people of those provinces could afford. Various suggestions were made looking toward the merger of the four western universities, or at least of the three prairie universities. Local pride was not as important a barrier to consolidation as was the fact that each of the universities had equipped itself with an expensive set of magnificent buildings. Even consolidation would not get rid of the interest charges nor operating charges on these buildings.

Presidents in Conference

But the presidents of the four western universities got together about three years ago and they have met yearly since to discuss ways of co-operating. The building rivalry between them that was so marked in the past has been abandoned. Each university has determined the courses in which it can best specialize, and there have been concessions made on every side that have permitted concentration of certain studies in a single university.

Each of the universities teaches the usual arts and classics courses. Each of them has courses in engineering, but while all four universities specialize in civil engineering, Alberta emphasizes mining, Saskatchewan mechanical engineering and British Columbia forestry.

Saskatchewan has become the chief music-teaching centre of the four western provinces, and Alberta specializes in drama. British Columbia has abandoned its law course, and its students go to one or other of the three prairie universities. Alberta is the only one with a well-established commerce course, although it is not as important as in the eastern universities.

As an additional measure of economy, University of Alberta has encouraged the giving out of the first two years of lectures in smaller private self-supporting schools under the control of the provincial university. It is cheaper for pupils to go the shorter distance to these smaller schools and then later to spend their last two or three years at the capital of the province.

The four universities that are cooperating are the University of Manitoba, Winnipeg; the University of Saskatchewan, Saskatoon; the University of Alberta, Edmonton, and the University of British Columbia, Vancouver.

Good Sugar Beet Crop At Raymond, Alta.

Growers in the Raymond area of Alberta are now harvesting the best sugar crop on record, according to reports from newspapers in that area. Prices are reported also to be excellent.

Success has attended the selling end at Canadian Sugar Factories and the entire surplus will be absorbed by the time the new crop is available. This includes a big carryover from 1932 of 145,000 bags. The quality of the Alberta product ranks very high, showing 99 per cent of purity, according to reports.

B. C. MINISTER DENIES POLICY DEBT DEFAULT

Hon. A. Wells Gray Finds Municipal Men in Hostile Mood

From Our Own Correspondent

VANCOUVER. — Addressing the union of B. C. municipalities at Kamloops last week, Hon. A. Wells Gray, provincial minister of municipal affairs, denied the government was committed to a policy of municipal debt repudiation. He said that municipal credit in British Columbia had not been adversely affected by his announcement a few days ago that the government would co-operate with municipalities in scaling down their bond interest.

"There is absolutely no compulsion for refinancing municipalities and it is not government policy," said Mr. Gray. "All the government has undertaken to do is to validate by legislation any agreements made between municipalities and bondholders."

The minister claimed that bond dealers had misinterpreted his previous remarks on the subject.

Mr. Gray faced a hostile audience, for the union had before it a resolution from Vernon, B.C., condemning the government for "broadcasting to the world that refunding of municipal issues on a broad scale would be undertaken."

T. A. Love, president of the union and mayor of Grand Forks, criticized the government for its attitude on municipal indebtedness and said he could not stress too strongly the damage that had been done to municipal credit by the publicity given to the government's policy, as announced by Mr. Gray.

Wheat

Export Trade Brisker

GOOD volume of export orders combined with steadiness at Liverpool heartened traders at Winnipeg a few hours after the opening on Tuesday, with the result that the market quickly recovered a portion of the losses and closed less than half a cent lower and firm. Buying was sufficient to easily absorb the fairly substantial volume of new crop grain which came on the market. Exports for the past week recorded one of the best weekly totals since the beginning of the present crop year, almost 4,200,000 bushels of Canadian wheat being exported. Argentine, however, continues to take a large share of the available market.

Reports from Argentine that frost had caused some damage in the northern sections helped to add strength at Winnipeg. Conditions in the Argentine are being closely watched at the present time and news from that country will have a considerable effect on the market for the next few weeks. The price spread between Canadian No. 2 Northern and Argentine Rosafe at Liverpool has been narrowed about 2 cents during the past week, quotations at October 9 showing the former to be 87¾ cents and the latter 65⅝ cents, sterling exchange being taken at $4.80.

Soviet Crops

SOVIET press reports indicate that an area of approximately 168,000,000 acres of winter and early spring sown cereals was cut up to September 1 in the Soviet Union. This constitutes 82 per cent of the total area sown to these cereals and is approximately 6,000,000 acres less than was cut during a comparable period last year, when 84 per cent of the area was cut. Considerable acreage remained uncut in the eastern regions, Ural, Kazakstan, and particularly western Siberia.

Threshing of grain extended to 59 per cent of the area harvested up to Sept. 1 this season compared with 38 per cent a year ago. Grain was stacked or removed from the field on 77 per cent of the area cut against 49 per cent a year ago. On over a fifth of the area harvested for the Union as a whole grain remained in the field, only partly bound and shocked and subject to damage from rain; while in some of the eastern regions grain remained lying in the field on over a half to four fifths of the harvested acreage.

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Business Wanted

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DIVIDEND NOTICES

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending September 30th, 1934, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Thursday, the 4th day of October, 1934, at 4 o'clock p.m. and payable on Monday, the 15th day of October, 1934.

By order of the Board.

PATRICK DUBEE, Secretary.

Monday, September 24th, 1934.

Belding Corticelli

DIVIDEND No. 34

Notice is hereby given that on the Common Stock of this Company, the Directors have declared a Quarterly Dividend of 1%, payable on the 1st day of November to Shareholders of record at the close of business the 15th day of October, 1934.

By Order of the Board.

D. F. POLLOCK, Secretary.

Canadian Dredge & Dock Co. Limited

PREFERRED DIVIDEND NO. 27

Notice is hereby given that the quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of 7% per annum, has been declared on the outstanding 7% Cumulative Sinking Fund Convertible Preferred Shares of Canadian Dredge & Dock Co. Limited, for the quarter ending October 31st, 1934, payable November 1st, 1934, to Shareholders of record at the close of business on October 19th, 1934.

By Order of the Board.

T. C. LUKE, Secretary.

Midland, Ontario, October 6th, 1934.

What Are the Newspapers Saying?

No business man has the time to read hundreds of papers daily; to search their pages for informative data relative to himself or his business.

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LAWRENCE FLOUR NET PROFIT HIGHER LAST FISCAL YEAR

Earnings on Common Stock Double Those of 1932-33

From Our Own Correspondent

MONTREAL. — Substantial improvement is reported in the earning power of St. Lawrence Flour Mills for the fiscal year ended August 31, 1934, compared with the preceding twelve months.

Last year St. Lawrence Flour had a net operating profit of $146,135, an increase of better than $30,000 as compared with returns for year 1932-33. After providing for all senior charges, including directors' fees and income tax, there was a balance of $90,579 available for dividends on the preferred and common stock. Earnings applicable to the common stock amounted to $4.19 a share, as against $2.04 a share for the preceding fiscal year.

Surplus Profit Doubled

Particulars of the profit and loss account for the past three years follow:

	1933-34 $	1932-33 $	1931-32 $
Net oper. profit	146,135	115,824	107,838
Deduct:			
Directors' fees	3,000	......	......
Bond int.	3,857	4,350	4,689
Bond premium	225	......	......
Depreciation	34,706	37,726	24,863
Income tax	13,768	......	......
Net profit	90,579	73,748	78,286
Pref. divds.	40,250	40,250	40,250
Balance	50,329	33,498	38,036
Com. divds.	18,000	18,000	......
Surplus	32,329	15,498	38,036
Prev. surplus	*395,471	*388,931	*360,550
P. & L. bal.	427,800	404,420	398,586
Earn. on com.†	$4.19	$2.04	$2.36

* After deducting income tax for preceding year, as follows: $8,959 in respect of 1933; $9,655 in respect of 1932; and $9,296 in respect of 1931.

† After deducting income tax.

Working Capital Position

	Sept. 1 1934 $	Sept. 2 1933 $
Current assets	521,647	562,533
Current liabilities	159,505	258,766
Working capital	362,142	303,767

Cut Down Bank Loans

St. Lawrence Flour Mills' balance sheet at September 1, 1934, shows assets totalling $2,454,305. This contrasts with $2,555,196 on September 2, 1933. Examination of the returns show that the company reduced bank loans during the year from $220,000 to $80,000. At the same time, however, the bank overdraft increased from $11,775 to $42,092.

Further reduction was effected in the funded debt of the company, the amount of bonds outstanding now totalling $52,000 or $10,000 less than a year ago.

It is noted that the contingent reserve has been increased by $5,000 to $30,000.

Among the current assets of the company, two changes of interest are an advance in the accounts receivable and inventories. The former now stand on the books at $216,902, up from $203,728, while the latter advanced $27,000 to $230,264.

The statement also shows that the company now holds among its accounts, $10,000 of its own bonds for sinking fund purposes.

In the Mail

The World Wheat Price

Editor, The Financial Post:

Can the world wheat problem be solved, as so many people believe, by a bad world wheat crop? I do not think so.

It is extremely difficult to foresee the volume of current and future world wheat crops, since wheat is sown and harvested every day of the year in one part of the world or another. The deficiency in some regions of the earth is always compensated by the over-production of others. While it is generally known that the wheat yield of a single country can change enormously from one year to the other, often increasing as much as double or decreasing down to the half, most people are unaware of the amazing stability of the world's total wheat yield.

Should mankind have really to face a bad harvest, the price of wheat would certainly rise to such a level that no power could prevent further sowing. Hence the world crop would increase and this would lead finally to a collapse in the price of wheat. Thus we see that a deficient world wheat harvest would not be a solution of the problem.

Another point of vital importance also not generally known, must not be overlooked. That is the insufficiency of the actual world wheat price. By this is meant the price of imported wheat in Liverpool, Rotterdam and other European ports. In spite of its improvement during the last few months, this price is, after deducting the expense of insurance and freight, still below the production costs prevailing even in Canada, Australia and the Argentine, the cheapest producing countries.

In Hungary and the other Danubian states, although the cost of production is somewhat higher, wheat must in any case be grown and the surplus exported, as the population of these countries must live and earn. Nor can even a small proportion of their inhabitants emigrate owing to the prevalence of unemployment in other countries. These are the reasons why practically all countries, both in Europe and beyond the seas, are still forced to subsidize their wheat growers and, in some countries, the wheat exporters. Yet the wheat prices, even increased by these subsidies, drawn from the pockets of the taxpayers, are in most countries not sufficient to give a reasonable profit to the farmer. Such was the case for the last few years and is still the case today. The lack of purchasing power on the part of the agriculturist is one of the main reasons why industry and commerce are nowhere prosperous and why unemployment still prevails.

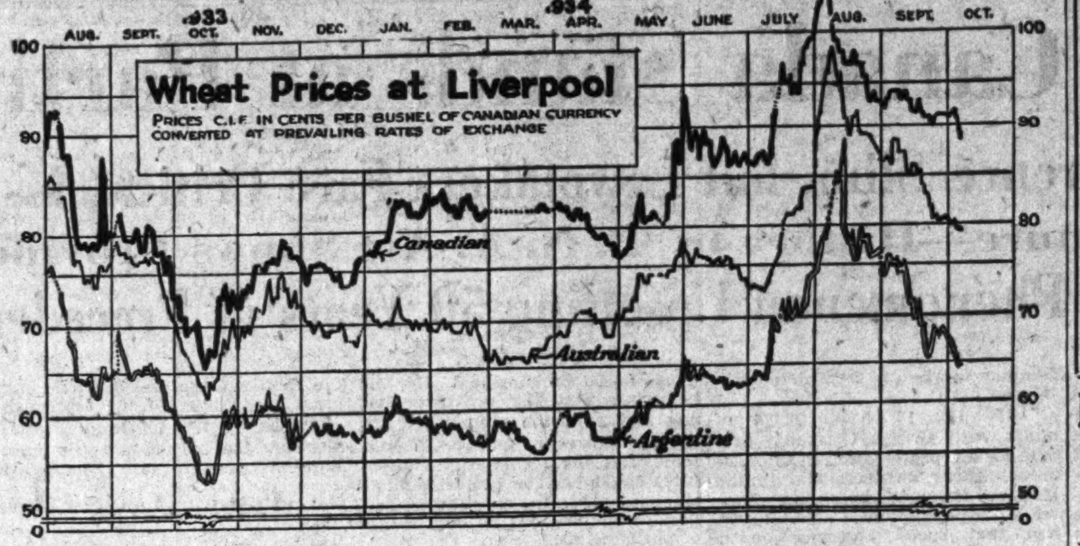
All the wheat growers of the world combined received in 1933 approximately £777,000,000 (considerably less than the world's expenditure in the same year for armaments!) and all the bread consumers of the world spent for their bread in the same year approximately £4,274,000,000. Though such a calculation can only be vaguely approximate, nevertheless it tells its own tale.

PAUL DE HEVESY, Hungarian Minister to Madrid.

Paris, Sept. 24, 1934.

Grain and Milling in Canada

Liverpool Prices Show Wide Spread



Recent developments in the international wheat situation have focused attention on the comparative prices of Canadian, Australian and Argentine wheat at Liverpool. This chart affords readers the opportunity of comparing the actual price situation for the past year.

NORTH AMERICAN ELEVATORS COVER DIVIDEND CHARGES

Surplus of $10,623 Shown After Disbursement on First Preferred

From Our Own Correspondent

MONTREAL. — North American Elevators Ltd. reported operating profits before interest of $16,735 during the fiscal year ended April 30, 1934. This was less than in the previous year, but income was sufficient to take care of bond and bank interest, together with dividends on the first preference stock.

The condensed income statement of the company for the fiscal year 1934 indicates that after payment of bank and bond interest, there was available for dividends, $32,325. Dividends paid during the year on the preference stock amounted to $22,108, leaving a balance of $10,623 to be carried forward into reserve for the first preference shareholders.

The balance sheet position, as at April 30, 1934, shows assets totalling $1,674,911 compared with $1,715,995 on the same date in 1933. Current liabilities of $20,616 are, in the aggregate, much the same as a year ago.

Issue More Bonds

During the year the company issued some additional first mortgage bonds, and after taking into account delivery of $32,000 balance for sinking fund, there was outstanding $326,500 This compares with $323,500.

A new item in the balance sheet this year is a bank loan of $179,550.

Cut Down Liability

The reserve for first preference shareholders, including sinking fund account, now stands at $32,545. This compares with $44,446 in the 1932 report.

The report shows that there were additional first preference shares issued during the year, the amount now outstanding at $316,200, as against $315,700 a year ago. No change has taken place in the issue of second preference or common stock.

Fixed assets are carried on the books at $1,717,433 after taking into consideration reserve for depreciation amounting to $198,074. In the previous report, fixed property account was shown at $1,753,111, with a reserve for depreciation amounting to $107,099.

ENFORCE NEW RULE TO REDUCE SPREAD IN OPENING PRICES

Grain Exchange Restricts Extent of Spread From Previous Day

From Our Own Correspondent

WINNIPEG.—A new rule with respect to opening prices on the market has been put into effect by the Winnipeg Grain Exchange, and is designed to check unnecessarily wide opening fluctuations. The first bids or offers of grain at the opening must be at prices not more than one eighth of a cent a bushel higher or lower than the closing price of the day before, and subsequent bids or offers must be in successive steps of not more than one eighth of a cent per bushel until some transaction is effected. On flax the permitted variation is one quarter of a cent per bushel.

This is designed to avoid unnecessarily wide fluctuations just at the opening of the market, which sometimes have apparently occurred when outside events have caused bids or offers to be made at a wide spread from previous quotations. The new rule is planned to take advantage of the cushioning effect of any orders which may be in the market.

Would Avoid Big Breaks

It is pointed out that the new rule is not the result of recent public discussions of the market situation, but that the development has been under consideration for a considerable time. Action appears to have been precipitated by a break of 21 cents per bushel in the price of flax which took place at the opening a short time ago, much of which was wiped out in subsequent trading operations.

Once the opening price has been established by conclusion of an actual transaction, through acceptance of a bid or offered price, rule eight of the exchange comes into effect. That rule makes it an offence for any member to offer to buy at a price higher than the current selling price, or to sell below the current bid price for grain futures, and is designed to prevent the making of bids or offers for manipulative purposes.

Many Factors Combined To Weaken Wheat Market

McFarland's Statement on Hedging, Heavy Sales By Argentina and France, Better Balkans Position All Had Effect

From Our Own Correspondent

WINNIPEG.—Prices on the wheat market pursued an erratic course last week, dropping sharply to the extent of six cents a bushel, and then recovering a good deal of the loss as export sales were made in considerable volume under stimulus of the lower price. The drop occurred a day after Mr. McFarland's statement suggesting that short selling of wheat was going on in considerable volume, in Winnipeg and on other markets, and attributing to some sinister influence the decline in prices that had occurred at Liverpool and Buenos Aires.

On careful examination, however, it did not appear that the statement in question was responsible for the decline, or that subsequent recovery of prices was due to the later statement issued by Mr. McFarland in which he denied that the government agency was abandoning price supporting operations.

Statement Alarming

It was evident, of course, that the first statement alarmed long holders of wheat, of which there were still some in the market in spite of the liquidation of holdings that had been going on for some time. and that the volume of selling the market was called on to absorb was thereby increased. It was also evident that the government agency, subsequent to the statement in question, lowered its point of support for the market, either because the volume of selling was greater than it was willing to absorb, or with the intention of getting Winnipeg prices down to a basis at which export business could be done, and this was also a cause of discouragement to long holders.

But the decline in prices in Winnipeg, as well as the later recovery, was coincident with corresponding movements on other markets, and several different influences were evident. One was the continued selling of wheat by the Argentine, which country is evidently determined to clean up its old stocks of wheat as completely as possible before a new crop appears. How thoroughly that has been done is indicated by recently published figures of British imports of wheat. During June, July and August, while Britain was importing 14,500,000 bushels of Canadian wheat, takings from the Argentine amounted to 19,500,000, or practically a third more while during July more than half of Great Britain's imports came from the Argentine.

France Undercuts Market

Then France has been pushing the sale of subsidized wheat in British and continental markets, at prices far lower than those at which any other wheats are offered. The loss, after paying the French farmer nearly three times the price realized is so great that apparently a few cents a bushel more or less on the price mean little, and all France is concerned about appears to be trying to get wheat out of the country in order to make the domestic price stabilization policy easier to carry out. But the effect is to lower the price at which Argentine wheat must be sold in order to keep its place in the market.

An additional source of weakness undoubtedly developed with an attempt to deliver some quantities of out of condition wheat on the Liverpool October option, and this had the effect of alarming some outside holders of that option, tending to increase the volume of liquidation there. But it is not clear that this effect was very large, or that the regulations of the Liverpool market are not sufficiently effective to prevent holders having to accept such wheat.

Bigger Feed Supplies

Another source of weakness indirectly affecting the wheat market through feed grains developed from the fact that Rumania was found to have, in spite of her poor wheat crop, a considerable surplus of corn, and a sufficient quantity of barley to spare to continue the practice of subsidizing exports of the latter. This apparently arises from the desire to obtain foreign credits to sustain exchange values, more than from any great surplus of grains over the reasonable needs of her own population.

Concurrently with these factors there was a general weakness in commodity markets, particularly in the United States.

Wheat Market Weak

The coincidence of these various factors operated to produce a sudden weakness in the wheat situation, and to obscure the gradual improvement in the basic wheat situation which is under way through lessening of the world surplus this year. That lessening is a process only well begun, which must continue throughout the crop year before its full effects on the balance of wheat supplies and demand become apparent. The growing crop in the Argentine continues to promise a fairly large yield, but the effects of that condition are offset in the prospective supply situation by the continuation of a poor outlook in Australia.

Recent rains, both in western Canada and in the United States have to some extent improved the outlook for production of wheat next year, but certainly not to the extent of creating any probability of large crops. Sub-soil moisture is still complained of as deficient in the winter wheat area of the United States. In the spring wheat area of the United States, as well as in the drought area of Saskatchewan conditions are still extremely poor, and even with prevalence of ideal weather conditions, seeding of anything like a full acreage or production of anything like a large crop would appear to be next to impossible.

No Fear of Scarcity

Had dry weather continued up to the present a panicky feeling as to the possibility of a real scarcity of wheat next year might well have prevailed, and recent precipitation has at least relieved that fear,

Key Facts About Wheat

	Week bu.	Previous Week bu.	Same Week Year Ago bu.
Canadian Wheat in Store:			
Fort William, Oct. 5	59,217,697	60,599,862	62,304,836
Country elevators, Sept. 28	85,640,433	85,201,611	92,484,129
Total, all points, Sept. 28	228,360,554	223,669,206	227,514,533
World Shipments, incl. flour, Oct. 1:			
North American	3,672,000	3,878,000	4,378,000
Argentine	3,765,000	3,201,000	1,281,000
Black Sea*	....	200,000	1,040,000
Australian	2,889,000	1,472,000	2,021,000
Total, world	11,314,000	9,367,000	9,860,000
Visible Stocks:			
Canadian, Sept. 28	123,346,000	121,503,000	117,045,000
United States, Oct. 1	112,134,000	112,833,000	147,996,000
Argentine, Sept. 28	16,900,000	17,635,000	10,654,000
Australian, Sept. 28	32,000,000	34,000,000	12,496,000
Country Marketings and Exports:†			
Canadian exports, Oct. 5	4,199,113	3,036,333	3,813,577
Cum. to Oct. 5 (10 weeks)	30,886,531	26,687,418	33,013,844
Country marketings, Sept. 21	10,771,408	22,565,311	12,044,480
Cum. to Sept. 21 (8 weeks)	80,437,346	69,665,938	64,652,262
Country deliveries, Oct. 5‡	9,647,000	5,355,000	15,001,000
Country loadings, Oct. 5‡	6,371,000	4,296,000	10,018,000

*Includes South Russia. †Excluding flour. ‡Sandford Evans Weekly Report.

Winnipeg Grain Prices

Week to October 9

Crop year from Aug. 1, 1934 High	Low		Open Oct. 3	High for week	Low for week	Close Oct. 9
		Wheat				
.95	.74⅞	October	.76	.78¾	.74⅞	.77¾
.97	.75¾	December	.77	.79½	.75¾	.78⅝
1.00½	.80⅛	May	.83	.84⅛	.80⅛	.83⅛
		Oats				
.48	.39⅜	October	.40¾	.43⅜	.39⅜	.41⅛
.47⅛	.38½	December	.39½	.40⅞	.38½	.40¼
.49⅜	.39¾	May	.40⅜	.41¾	.39¾	.41
		Barley				
.64⅜	.48½	October	.49⅞	.52⅞	.48½	.51⅞
.63¾	.49	December	.50¾	.53	.49	.52⅜
.65	.50¾	May	.52⅝	.55	.50¾	.54⅛
		Flax				
1.73½	1.28	October	1.30¾	1.40	1.30	1.40
1.74¾	1.19	December	1.30	1.43	1.30	1.43
1.73½	1.28	May	1.37	1.47¾	1.35¼	1.47¼
		Rye				
.76½	.51¼	October	.55¼	.56⅞	.51¼	.56⅛
.77	.51¼	December	.55	.57⅜	.51¼	.56¾
.80⅛	.55⅛	May	.58¾	.61⅛	.55⅛	.60⅛

Argentine Crop Chief Market Factor

From Our Own Correspondent

WINNIPEG.—Progress made by the Argentine crop will be most closely watched by those interested in the wheat market during the next few weeks, as it will have a marked effect on prices. Among other important factors which would affect the Canadian situation, the following are outstanding:

Possible development of a considerable demand for wheat from non-European countries, particularly China. Hoped for increase in European demand, as the load of domestic stocks, both old reserves and new harvests, is lessened. Abandonment by France of her costly policy of subsidizing wheat exports.

MARKETING BOARD CONSIDERS PLANS FOR VOTE TAKING

Now Favors Publicity to Help Obtain Majority Vote

EXPENSES HEAVY

From Our Own Correspondent

OTTAWA.—Important problems of representation, expense and publicity to be solved by the Federal Marketing Board and a proposed solution to one of them have arisen out of poultry and livestock marketing schemes for the Prairies at present being considered by the Board.

First, under the Dominion legislation the Minister of Agriculture is given discretion to refer proposed schemes to a plebiscite of the producers concerned and to fix the majority necessary to bring it into effect. But the difficult part of this feature of the legislation is to take a vote. With the poultry scheme, for example, it would be necessary to have a census of farmers in the area involved, thus determining who are poultry farmers and who are not. Thereafter there would have to be a registration and, finally, the taking of a vote would involve almost as much expense as a general election.

Propose Solution

The sponsors of the poultry scheme have hit on a solution of this problem. They suggest that if the Marketing Board and the government deem a scheme good, they should approve it, stipulating that it will not become operative until after a vote has been held. Then the law would compel producers to register themselves voluntarily, and thus simplify the vote taking. This machinery, it is learned, is likely to be adopted, not because it is ideal, but because it offers one way of escape from a very real difficulty.

Secondly, the Marketing Act, unfortunately, is silent on the subject of the costs of a plebiscite. To register the poultry farmers of the three prairie provinces would cost at least $100,000. To take a vote would cost half as much again, as there would be all manner of expenses involved. Who is to pay these expenses? Obviously groups of producers cannot afford to and Parliament voted only $500,000 to cover the full cost of the Board for this fiscal year. It is believed that the state ultimately will have to bear this burden and, if so, the cost of the new legislation will be greatly enhanced.

Would Mean Control

Against the new proposal, it is argued that it will place full control of registration in the hands of the persons advocating a marketing scheme. They, naturally, are not disinterested.

A third point of interest arises on the point of publicity. The Dominion Marketing Board has been attacked in recent weeks on the ground that schemes are proposed by various groups who claim, and probably with justice, that they represent the producers concerned. These schemes are held in strict confidence until the Dominion board has recommended them and the government made them law by order-in-council. If a scheme is not recommended, it presumably, goes into the discard never to be heard of again.

Need Publicity

The point is that the country at large, so far, has been given no opportunity to judge of the merits of schemes in advance of the final decision upon them. For example, there is a tobacco scheme now before the Marketing Board. It is being seriously considered and on October 3 the newspapers were informed that "the Board proposes to keep the details in confidence until it is ready to bring the scheme into operation." It is presumed that the Board will consult interests, other than the growers, who will be affected if the scheme is adopted. But the general public will remain in complete ignorance.

As far as the poultry and livestock schemes are concerned, the Board so far has followed the same line. But it is probable that the texts of these schemes will be published late this week and that the Board will invite representations from all interested parties. It appears this course is being strenuously urged by the western co-operatives who are sponsoring the schemes. They realize that much can be gained by pre-decision publicity and that it is to their disadvantage to have the preliminary proceedings cloaked in official secrecy.

"Pools" Become "Boards"

Importance also attaches to the Prairie schemes as they would involve the creation of local boards which will exercise complete control over the production and marketing of eggs, poultry and livestock. In the first two the proposal is to carry this control as far as the wholesale trade. In the third, the plan is to carry control to the point where the livestock is bought by the packers.

Details of the poultry scheme cannot be learned officially but it is understood the application came, jointly, from the Poultry Co-operative association of Saskatchewan, the Canadian Poultry Pool of Manitoba, and the Poultry Co-Operative of Alberta. Those who have presented the scheme to the Board are George H. Barr, K.C., of Regina, solicitor for the Co-Operatives; W. A. Landreth, president and general manager of the Manitoba Pool, and P. E. Roblin, of Saskatoon, head of the Saskatchewan Co-Operative Livestock Producers.

No statistics are available to show how important these organizations are in comparison with the industry as a whole. The Saskatchewan Co-Operative, it is said, has 14,000 farmer members. The Manitoba Pool claims to be doing 65 per cent of the total poultry business in that province. Nothing is available here with regard to the Alberta Co-Operative. The three of them, however, do practically all of Canada's export business in poultry products.

Livestock Plans

The livestock scheme is not nearly as far advanced as the poultry application. It has been presented at Ottawa on behalf of the Saskatchewan Co-operative. Similar applications are to come from the Co-operatives of Manitoba and Alberta.

The plan is to take over completely the production and marketing of livestock. This, naturally, will practically close down the livestock exchanges of the west. It will mean, if approved, that the only source from which livestock can be purchased will be the Co-operatives. The packing industry of the west will be completely at their mercy, both as to price and supply. The livestock scheme, it is believed, will not be dealt with until applications from Manitoba and Alberta have been presented.

In both cases the proposals call for the application of the Dominion Act to one section of the country. There is no intention at the moment to interfere with the poultry or livestock industries in eastern Canada or British Columbia. The prairie co-operatives hope, however, that if their schemes become law the marketing system will rapidly spread over the rest of the country.

McFarland Puzzles Ottawa Sellers' Market Anticipated

From Our Own Correspondent

OTTAWA. — Cabinet ministers have been as puzzled by, as they were interested in, the John I. McFarland charges against wheat selling operations on the Winnipeg Grain Exchange. It is probable that Mr. McFarland addressed his criticisms direct to Prime Minister R. B. Bennett at London. It is understood he did not communicate with Sir George Perley, acting prime minister at Ottawa. Indeed, ministers at Ottawa have appeared to be very much in the dark as to the nature of the McFarland charges and for this reason no statement or interview was authorized on Parliament Hill.

Unofficially, however, one or two ministers were ready to discuss the wheat situation. Their view, in a general way, is that there is nothing much the matter with the Grain Exchange; that the world wheat market is now in process of change from a buyers' to a sellers' market. It was only to be expected, they believe, that powerful wheat buying interest in Europe and, perhaps, on this continent, should make a last desperate drive to force down world prices. And the natural point for such a drive was at Winnipeg where there is one of the few free markets now existing in the world.

Also, Winnipeg is the heart centre of Canada's wheat trade and this Dominion now possesses about the only large carryover in the world. They regard the fall in prices as temporary and expect an upward swing, with the sellers in command, in the near future. There has been no serious talk here either of an investigation or a wheat board—a picture which may be altered by the return of the prime minister late this month.

U.S.A. Bakers Complain of Imports from Canada

United States bakers are demanding relief under a provision of the N.R.A. to protect their industry against imports of bread from Canada at prices with which they cannot compete, it is reported from Washington. N.R.A. legislation provides for an increase in tariff duties on merchandise entering the country and threatening the successful operation of United States industry.

It is claimed that bread is being imported more cheaply than it can be produced domestically owing to the high cost of flour in U.S.A. and the increased labor costs under the N.R.A. Further, it is charged that bread is being brought across the border by motor trucks owned and operated by Americans, resulting in direct consumer buying and purchase by grocers and merchants near the boundary.

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks of foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Montreal Power

I hold a few shares of stock in Montreal Light, Heat and Power Consolidated, and was wondering if there is any particular reason for the recent gradual decline in the market value. Anything you may have on this point will be appreciated.

It is difficult to ascribe any particular reason for the "softness" in the market value of Montreal Light, Heat and Power's common stock. As you say, operations of the company this year have been on a satisfactory basis, while unofficial statements are to the effect that earnings will be more than sufficient to cover the dividend requirements amounting to $1.50 a share.

An agitation has been growing in Quebec, sponsored by the Hon. Mr. Bouchard, in favor of the municipalization of public utilities services. While this campaign has not affected Montreal Power, it is felt in some quarters that if Mr. Bouchard's agitation makes headway, it may eventually react to the disadvantage of Montreal Power.

As you probably know the Provincial Government recently established a commission to investigate public utility matters in the province and it is anticipated that the findings of this commission will do a great deal to clear away many misconceptions which have arisen in regard to public utility rates and other matters affecting the public.

Bank of Commerce

I hold a few shares of the Canadian Bank of Commerce and wonder whether I should retain this investment.

Your investment in shares of the Canadian Bank of Commerce returns you a yield of about 5 per cent on the basis of the present price of the shares. The question is whether you could do better than 5 per cent with safety if you were to sell the shares. As you probably know, interest rates in Canada have been declining, and to increase the rate of income on the investment it would be necessary to buy rather speculative shares or corporation bonds.

Earnings of Canadian banks are expected to show some decline if the current downward trend of interest rates in Canada continues. It is also believed that the operations of the new central bank, the Bank of Canada which will gradually acquire the right of note issue of the chartered banks, will have a depressing effect on bank earnings. At the same time, however, a downward trend of interest rates on other securities in Canada would tend to make the bank shares more attractive as an investment in comparison with other securities.

We are led to believe that the Canadian Bank of Commerce will not show any material increase in earnings this year. And it is evident that a substantial improvement in the volume of the bank's investment in commercial loans will be necessary before earnings are very much better.

While new factors are entering the Canadian banking scene to affect earnings, history shows that well selected bank shares have been profitable to investors in the past.

Brewing Corp.

With Brewing Corp. preferred selling at 28¼ and common at 6⅞, as the exchange privilege is 2½ shares common for one of preferred, is not the common market price far too low? Should it not be about 1.2?

What proportion of Ontario production sales has the company? What companies have been taken in? It seems to me common increase has been very high. Is it too high? How much of Canada Bud does it own?

There has been an improvement in the position of Brewing Corp. preferred stock due to the decision of the company to begin paying its preferred dividends on the basis of $3 a share.

Brewing Corp. has 50 per cent of the total capacity in Ontario. There is no official statement as to the percentage of the output the sales represent. There is much difference of opinion on this but one report supplied by an independent source to The Post is 35 per cent. Company executives say this is wrong and too low. In any event this is subject to change as the number of outlets grow and those who sell to the public make their permanent arrangements for supplies according to the demand of the public. Quebec Breweries are supposed to sell about 16 per cent of the total sales in Ontario but on the other hand Ontario breweries sell about 10 per cent in Quebec.

It is true that the convertible privilege of the preferred is on the basis of one preferred for two and one half shares of common. You can be quite sure that if the company gets to a point where it can pay a dividend in excess of $1.20 a share with all appearances of being able to sustain it, that fact will bring the common stock price up sharply to a point where the convertible privilege will mean something.

The drop from $12 a share to $7 a share and thereabouts is because of the market disappointment that Brewing Corp. apparently did not get control of Canada Bud. Whether or not it eventually gets control of Canada Bud—and it is known that it has some shares—statements were made that it was necessary to have this company in order that competition would not be too strenuous in Toronto. Both companies, however, have to date expressed satisfaction with the progress of sales.

The tremendous increase in the number of common shares issued has been since absorbing the O'Keefe outfit. At the time when it was bought, the president of Brewing Corp. stated that it was being paid for by the sale of 200,000 no par value common shares in Great Britain. The price was $2,000,000 odd and so far this has proved an exceptionally good investment by the company.

As of July 31, 1934, there were outstanding 647,316 no par value common shares and 144,750 cumulative sinking fund convertible preference shares of no par value.

From the end of the company's last fiscal year, October 31, 1933, to July 31, 1934, the preferred stock outstanding decreased from 147,675 no par value preferred shares to 144,750 shares or a decline of 2,925 preferred shares. In the same time, the common stock advanced from 277,581 no par value shares to 647,316 shares or an increase of 369,765 shares.

In the spring, after the company had completed the acquisition of the Cosgrave and O'Keefe companies, there had been an increase of 307,459 shares and since that time there has been an increase of 62,286 shares. One cannot say definitely that those 62,286 shares were exchanged for Canada Bud shares but if they had been the company would now be holding 62,286 no par value shares of Canada Bud and other companies.

The outstanding shares of Canada Bud are 150,000 shares and more than 75,000 shares would therefore be needed for control. Even if the company had only from 40,000 to 50,000 shares it could exercise a powerful voice in the affairs of Canada Bud. It is apparent that the increase of 125 per cent in the common stock of Brewing Corporation is entirely represented by the interest in O'Keefe's, Cosgrave Brewing and whatever shares it holds of Canada Bud and other companies. The value of that common stock can only be demonstrated by earnings reports from time to time.

Massey-Harris

I have been holding Massey-Harris Co. stock for several years. I have been hoping it would recover. Here in Scotland it is difficult to follow closely the fortunes of a Canadian company. Is it worth while taking a chance continuing to hold it?

Massey-Harris Co. is doing a much more active business in 1934 than it did in 1933 or 1932. It is doubtful if this business is yet of sufficient volume to permit it to make a profit. It is probable that the drop in purchasing power of the farmers of the world has been such that the company will again suffer a considerable loss in bills receivable which it has been unable to collect and possibly in depreciation of surplus inventory still held over from 1929. Those portions of the inventory that are depleted are being renewed under good current operating conditions.

It has been the history of this company in the past depressions that when the recovery period begins, its losses get smaller and smaller until eventually it comes into a profit period again. The company is ably managed but it is in arrears one year on the sinking fund payment on its bonds. The bondholders have overlooked this default for the time being as they see it is in the interests of the company to maintain a strong liquid position. A few good years would be of immense benefit to the company but its losses have been very heavy. When international trade gets on a good level again, when exchanges of various countries are more stable and when the situation of farmers the world over is not made chaotic by huge surpluses pressing on the market, this company will again have an excellent chance if it survives without reorganization as hoped, until that period. The present situation is more encouraging than that of six or seven months ago.

Copeland Milling

I hold Copeland Flour Mills preferred but have heard nothing about the stock for several years. Is there anything new?

Copeland Flour Mills Ltd. made an 8 per cent preferred stock issue at $100 per share with a bonus of 30 per cent common stock in 1923. For a few years this company was able to pay dividends, but competition became very severe and dividends had to be abandoned. In 1928 the company was reorganized and all assets were transferred to the new company under the same name. The shares now outstanding are 12,268 6 per cent preferred of $25 par value each and 18,268 no par value common. Since the reorganization of the company competition has become even keener and no dividend has been paid. There is no market for the stock at present though last spring it was quoted at $5 bid and $6.75 asked. No improvement can be expected until the milling industry as a whole improves.

Int. Hydro-Electric

Can you tell me why the debentures of International Hydro-Electric System have recently declined in value? Has there been any adverse development which would affect the position of the company?

International Hydro-Electric's 6 per cent debentures were recently under pressure owing to the fact that a substantial proportion of the system's income was wiped out as a result of the action taken by its subsidiary, the New England Power Association. Due to increasing taxation, higher operating costs, etc. New England Power found it necessary to defer dividends on its common stock, practically all of which is held by International Hydro-Electric. International Hydro, in turn, had to defer dividends on its preferred stock. It would seem, however, that the system will be in a position to take care of interest on its own debentures, but until the affairs of New England Power Association are cleared away, the outlook for International Hydro's bonds must be considered somewhat obscure.

Shawinigan

Would you please tell me what you think of the prospects of Shawinigan Power? I have a little money in this stock and would like to know if it is safe.

Shawinigan Water and Power Co.'s earning power has been affected by the generally unsettled industrial conditions in the territory which it serves. Through the greater use of the electric steam boiler, sales of power have kept up remarkably well and last year reached a high figure, but selling price was low. Since the beginning of the current year, the company has experienced an improvement, both in the demand for power and in revenue. During the first half of the year the company had a net operating revenue available for fixed charges, depreciation, income tax and dividends of $3,491,206. This contrasted with $2,979,728 for the corresponding period of 1933. After providing for fixed charges there was a surplus before depreciation and income tax of $1,572,614, as against $1,223,330 in the first six months of last year. This was more than sufficient to take care of the current dividend on the common stock.

While the report of operations for the third quarter of 1934 is not yet available, it is understood that both sales of power and income have continued to show a favorable trend.

Penman's

Please give me a report on Penmans Ltd. I would like to know something about the company's financial position, its earning power and whether or not the dividend is being covered.

Penmans Ltd. is one of the principal manufacturers of woollens and other types of knitted goods. Over a period of years the company has built up an exceptionally strong financial position. At the end of last year the company's balance sheet showed current assets of $2,570,564 as against current liabilities of only $177,689. Fixed assets are carried on the books at a conservative figure, while goodwill, trademarks, etc., are shown at the nominal value of $1.

Earnings of Penmans Ltd. over the last four years have not been altogether satisfactory, which caused the management to reduce the dividend on the common stock from $4 to $3 a share in order to conserve liquid resources. Conditions obtaining in 1930 to 1932 were unusual, however, as during more normal years the company has shown a well developed earning power.

Last year the company reported net earnings of $549,542, an increase of more than $100,000 as compared with 1932. After setting aside $140,000 for depreciation ($40,000 more than in the previous year) the company was able to show a surplus for the year of $19,458 after taking care of all obligations including dividends on the common stock.

Niagara Wire

We would like to get a full report on Niagara Wire Weaving Co. We want to know the current position of the company, together with its earnings power and balance sheet position.

While Niagara Wire Weaving Co. has not issued an interim report on operations for the current year, judging by the activity of the newsprint industry, the volume of business handled by the company has undergone an improvement. This premise is supported by the action of the management in paying not only the regular dividend on the preferred stock, but in paying off arrears of dividends.

For the fiscal year ended March 31, 1934, Niagara Wire Weaving reported a net profit from operations, after depreciation, income taxes, etc., of $126,836. This compared with $33,821 in the previous year. Dividends paid on the preference stock in 1924 amounted to $77,719, leaving a surplus for the year of $49,117 which amount was carried forward to the profit and loss account.

The balance sheet at the end of last March showed a net working capital position of $644,459, an amount greater than reported in any year in the preceding five years. It is noted that cash on hand and in bank alone was sufficient to take care of all current liabilities.

Niagara Wire Weaving has no funded debt, its capitalization consisting of 20,725 shares of $3, cumulative and convertible no par value preference stock and 40,000 shares of no par value common stock.

Eastern Dairies

Please let me have a report on Eastern Dairies Ltd. I would like to know more particularly the trend of earnings this year.

We are given to understand that there has been no marked change in the position of Eastern Dairies Ltd. from the point of view of earnings. Conditions in the milk business have not been altogether favorable, though there are signs of strengthening. Up to the middle of this year, Eastern Dairies' income was practically the same as in 1933. For the first four months of the current fiscal year bond interest was covered 2.6 times before depreciation. After taking care of the latter item, interest charges were earned 1.5 times. This was almost identical with that reported for the corresponding period of 1933.

Canada-America Trust

Will you kindly tell me what has happened to Canada-America Trust Shares? Is there a second trust, and what are its dividend record and investments?

Units of Canada-America Trust Shares (first trust) are being redeemed at $2.482 a share by The Royal Trust Co., Winnipeg, depository under the trust agreement. The agreement was terminated April 27, 1934. The original agreement was made June 14, 1930, and the trust, which was of the fixed, distributive type, was to have terminated Dec. 31, 1950. Shares of the first trust now being redeemed at $2.482 each were originally sold at $10 each by Clark, Martin & Co., Winnipeg, which firm subsequently failed.

Canada-America Trust Shares (second trust) is still existent, and dividends are being paid on the shares. The 1932, 1933 and 1934 dividend records of both first and second trusts are as follows: First trust: June 30 and Dec. 31, 1932, 30 cents a share each date; June 30, 1933, 27 cents; Dec. 30, 1933, six cents a share. Second trust: June 30, 1932, 30 cents a share; Dec. 31, 1932, nine cents; June 30, 1933, six cents; Dec. 30, 1933 and June 30, 1934, five cents each date.

The second trust investments consist of four common shares in each of 29 companies and one share in a thirtieth. There are six Canadian companies represented: Bell Telephone, C.P.R., Imperial Oil, Montreal Power, Ogilvie Flour and Shawinigan. The 24 American companies consist of five leading railroads, five oil companies, 11 industrials and three utilities. As in the case of the Canadian companies, the American corporations whose shares are held in the trust are leaders in their respective fields.

The experience for the first trust shows what may happen to a fixed trust terminated in a depression period. Dividends and market value for seemingly high-grade common shares are reduced heavily. Because the trust is not of the management type, the shareholder is committed to a fixed investment in the corporations selected no matter how conditions may change in the meantime. On the other hand, economic recovery is likely to benefit many of the companies whose share are held. As times goes on, however, the fixed nature of the trust is likely to result in considerable improvement for some of the investments, while others may fall by the wayside.

Imperial Oil

I hold Imperial Oil common stock. I am just hesitating whether or not to sell and buy bonds. What are the prospects for Imperial?

One who buys the common stock of Imperial Oil for investment does so because of the long record of the company in paying its dividends, in increasing them in periods of expanding business and good prices and because it is hoped by those who hold the stock that the future will still hold opportunities of the same kind.

The company has an exceedingly strong financial position and is the leading company in the industry in Canada. In considering the prospects for the future, however, the investor should take into account the fact that only about one third of the dividend of 50c. a share is earned in Canada. The rest is earned in great part, by International Petroleum which has very important and large holdings of oil territories both in Peru and Colombia. That company does not publish a financial statement and therefore, one cannot invest with absolute knowledge. The fact that International Petroleum has paid large dividends for more than a decade and that its total earnings until the depression were increasing, bears a large part in the hopes of the public. During the depression its production was maintained in spite of the disorganized situation the world over as to sales of crude petroleum.

International Petroleum fixes its world rates for crude in line with mid-continent rates quoted from day to day in the United States. It is evident, therefore, that whenever there is a breakdown in the price situation in United States it has a repercussion on International Petroleum. In 1932 prices went down to as low as 5c. and 10c. a barrel in the United States. Current prices at that time may have been about 25 or 30 cents, but even there it is scarcely likely that it was profitable. Since that time it has increased to $1 a barrel and that must have been greatly to the advantage of the company. During these strenuous periods it has paid bonuses and so has Imperial Oil. This may have been from large surplus earnings in previous years.

The association of the two companies with Standard Oil of New Jersey has proved of immense advantage to all of them in the world realm. Recently the condition of affairs in Peru and Colombia seems to have been improving. The war clouds have passed away and a peace agreement has been signed. This, in turn, throws a favorable light on the position of the Imperial Oil common stock which draws so large a part of its dividends from the dividends paid by International Petroleum.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

McVittie-Graham

What is the present position and outlook for McVittie - Graham Mines?

McVittie-Graham Mines is controlled by an experienced group of mining men headed by F. M. Connell. The company is really a holding company with principal interest in ownership of 56 per cent of the Veraguas Mines now in operation in Panama. McVittie-Graham loaned Veraguas some $275,000 in order to help it get into production. This is to be paid back plus interest out of profits and in consideration of the loan McVittie-Graham holds 420,000 Veraguas shares. Of recent months there has been some concern expressed over the ore position of Veraguas. The company frankly states that it can give no definite estimate of ore reserves, owing to the geological nature of the area. This fact only serves as ammunition for those who claim that Veraguas' ore supply is limited. But McVittie is getting its investment back out of current earnings, which is important. McVittie has an authorized capitalization of $5,000,000 of which $3,500,000 is outstanding. In May of this year F. M. Connell, president, stated that the net debt of the company was now $133,819.

Maple Leaf Mines

I am trying to get information about Maple Leaf Mines. Could you oblige?

Maple Leaf Mines operates as an exploration and holding company maintaining field staffs to examine properties of merit which, if encouraging, are taken under option for further development. The principal interest just now in the company centres about its subsidiaries, Casey Summit Gold Mines and NewRoy Gold Mines. The company was financed by the sale of treasury shares through Mid-Canada Exploration Co., in 1933, at prices starting at ten cents per share. Mid-Canada Exploration Co. acts as the company's fiscal agent and is the principal shareholder of the company. At the moment Casey Summit is the most interesting property in which Maple Leaf Mines has an interest. Casey Summit came into production a few weeks ago and with the new 50-ton mill now in operation it is anticipated that regular production of gold bricks should soon be under way. While no official estimate of ore reserves has yet been compiled, ore dimensionsfi as already disclosed, to a vertical depth of 300 ft., equivalent to a depth on the dip of the vein of 500 ft., indicate sufficient millfeed for well over two years operations, according to H. L. Walker, president of the company. Toward the end of August Casey Summit formed a subsidiary syndicate to develop a group of twelve claims in the Patricia district, adjacent to Summit property. A contract has been let to drill 1,000 ft. Should diamond drilling prove the continuity of the present surface showing, a company with 3,000,000 share capital will be incorporated and a mining plant will be taken into the property during the winter, company officials state.

Graham-Bousquet

Would you please give me information regarding Graham-Bousquet Gold Mines? What is the company's history?

Graham-Bousquet Gold Mines is a reorganization of Graham-Bousquet Mining Corp. This company owns and is developing a gold prospect consisting of 621 acres in Bousquet township, Abitibi County, Quebec. Operations were closed down in midsummer, 1929, after exploration work failed to disclose commercial ore dimensions, as already disprice of gold officials felt that operations could be conducted on a profitable basis and a reorganization was completed in June, 1934, whereby the present company was formed. Shareholders of the old company received one new share for each two old held. In September of this year the company entered into an agreement with Canadian Enterprises Ltd. of Montreal, whereby the latter company will purchase a certain number of treasury shares and will have the option of purchasing the remainder of the treasury stock. A two-compartment shaft was sunk in 1929 to a depth of 527 ft. and levels established at 125, 250, 375 and 500 ft., where lateral work was carried on. Development work proved ore continuing from the surface outcrop to a depth of 800 ft. On the 125 ft. level the ore zone is 70 ft. wide and averages $4 gold per ton. The company is still in the initial development stage.

Rackets

Racket: "A trick, dodge, scheme, game, line or business or action."—Shorter Oxford English Dictionary.

A Long View

APPARENTLY fly-by-night, high pressure, real estate salesmen have been finding conditions rather difficult in the last few years. With few booms in town lots and little demand for even favorable oil wells, easy money in such fields has been more difficult to obtain. These hard times, however, seem to have stimulated the imagination of those people with an itch to sell and by adjusting themselves to the changed conditions some new sources of income have been developed.

Summer resort territory offers a field to the minor racketeer. The building of excellent gravel roads through Central Ontario's lake district, as a relief measure in recent years, has made this territory more familiar to urban dwellers both in Canada and the United States. Many people who not long ago had absolutely no idea of what the country was like 50 miles north of the Canadian boundary, are now generally familiar with such summer playgrounds as Georgian Bay, the Muskoka Lakes and similar sections which lie within a hundred miles of big cities like Toronto and Montreal.

In this territory there are still large blocks of Crown lands or repossessed property following failure to pay taxes, which can be secured from 50 cents to $1 per acre. Incidentally, that appears to be all the average of this land is worth. There is usually a considerable amount of hardwood, but it has practically no commercial value as it is not accessible or is not in large enough volume to warrant commercial utilization. Most of such low-priced land lies at a considerable distance from any worth-while lake or stream.

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BUT some of it has been bought up at a nominal price and is offered at about $5 a lot through small advertisements in Canadian or American city papers. Usually the advertisement reads something like this:

"Beautifully wooded lots overlooking Georgian Bay, suitable for summer cottages or hunting lodges. Five dollars each."

The reader is advised to apply to a certain box number and when he does so he receives a circular letter or other literature stressing the beauty, general location and low price of these lots. As the price is so low, little attention is paid to the exact site and quite often the five dollars is immediately dispatched. The sale of a couple of lots will usually pay for the cost of the whole block of ten or twenty acres. It is a simple matter to figure out the returns from such an investment, as one acre will cut up into five or even ten perfectly good-sized building lots. When the buyer visits his new property he may find that it will overlook Georgian Bay or some other well-known summer resort, but being anywhere from one mile to ten back from the water he will need a pair of binoculars to enjoy the view. He may also find certain other minor disadvantages, such as lack of road and railway connections and the presence of bogs which may prove awkward when he goes to visit or build on his lot.

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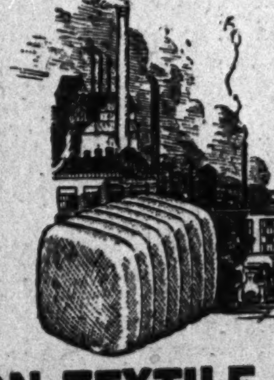
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QUOTAS INCREASE TRADE OPENINGS IN FRENCH MART

Appear More Important Than Tariff Reductions

From Our Own Correspondent

OTTAWA.—Complete details of the new Franco-Canadian trade treaty reveals that valuable markets have been obtained for many Canadian products other than wheat, increased quotas being the chief reason. While the quotas do not appear to be particularly large—B.C. salmon shippers, for instance, having already protested against the smallness of the quota for frozen salmon—Canada is at least assured of a definite portion of the French market for the first time.

Canada's concessions to France on wines were outlined in The Financial Post last week. Additional concessions, it is now learned, having been granted on cheese, canned mushrooms, candied chestnuts, and children's clothing. The extent of the last named has still to be determined by the cabinet.

Wheat Import Restricted

The French government has granted lower tariff on a long list of commodities, including wheat. These items have already been enumerated and their importance may easily be exaggerated.

On wheat, for example, the new treaty cuts the tariff from about $2.70 to $1.35 per bushel, but France only allows imports by special permits and these permits are issued to replace domestic wheat exported to other countries. Regulations of the French government require 100 per cent of domestic wheat to be used in milling flour for consumption within the republic. And when permits for imports are issued, the duty is rebated.

What the new treaty means is that as and when France imports wheat, Canada will be assured a fair share of the business.

Quota Division

Of immediate interest, however, are the new quotas provided by the treaty for the final quarter of this year. For some time nearly all imports into France have been by quota. To begin with the total quantity of any product to be imported is fixed by a quota. This is then parcelled out as between various countries, each being allotted a separate sub-quota. A small part of each main quota is left unallocated and a number of countries, with whom France is not on good trading terms, are free to compete for these unallocated quotas.

Until the new treaty, Canada did not possess a sub-quota on any product imported into France, but now 22 sub-quotas have been allocated to Canada for the final quarter of this year. These sub-quotas are worked out in quintals of 220 pounds. They are: Porcelain insulators without metal parts 30 quintals, with metal parts 50 quintals; electric heating apparatus, including stoves, 100; vacuum cleaners and parts 10; cheese, 306; fresh apples and pears, 5,280; cornflakes, 15; common wood, 3,410; tomato ketchup, 60; lead, 7,310; patent leather, 60; calf leather, 14; manufactured wood, 5,900; automobiles, 800; ice skates 10; barley, 1,200; insulating fibre board, 125; agricultural machinery, 333.

The text of the new treaty has not yet been announced, although it went into force on October 1, last. But complete details of its provisions have been cabled to the Trade and Commerce department.

Details of Trade

Canada's trade with France, in 1933 and 1934, as affected by the treaties was as follows:

Leading Imports from France
(Fiscal Years Ended March 31)

	1934	1933
	$	$
(a) On Which Tariff Is Reduced		
Brandy	459,690	918,308
Liqueurs	60,470	72,211
Wines	371,582	558,332
Cheese	145,503	210,764
Canned vegetables*	34,035	53,867
Gloves	194,544	238,631
Lace	210,741	91,348
Perfumery	122,312	145,098
(b) On Which No Change is Contemplated		
Walnuts	352,703	300,888
Velvet & plushes	584,894	426,253
Hats	61,529	144,736
Paper	299,015	414,767
Aluminum mfgs.	285,509	7,722
Drugs	279,272	326,780
Potash	200,609	234,737
All imports	6,898,411	7,712,558

Leading Exports to France*
(Fiscal Years Ended March 31)

	1934	1933
	$	$
(a) On Which Tariff Is Reduced		
Wheat	6,791,593	8,901,097
Oats	44,130	85,147
Barley	....	55,010
Rye	....	34,514
Whisky	7,675	3,862
Lead	....	29,667
Zinc	38,864	122,438
Timber	14,438	14,816
Chemicals—coal tar	237,981	88,282
(b) On Which Quota Is Granted†		
Canned lobster	353,360	376,442
Apples, fresh	6,299	16,687
Cheese	10,409	4,288
Agric. implements	92,062	51,521
Automobiles	....	500
(c) Chief Items Not Affected		
Canned salmon	1,100,306	73,308
Copper	806,190	803,688
Wood pulp	793,401	675,674
All exports	11,907,478	12,730,226

† Quotas are also granted on frozen salmon, canned tomatoes, veneers, ice skates and patent leather for which trade figures are not available.

* All exports are, of course, affected by the cut in excise duties.

CAN. BAKERIES LOSSES REDUCED BUT EARNS LESS

Low Purchasing Power in Western Cities is Still Apparent

Canadian Bakeries reported a net loss of $72,669 for the year ended Aug. 31, 1934, as compared with $78,954 for 1933, after depreciation and bond interest. Operating earnings were down from $42,238 in the previous year to $30,867 but due to less depreciation and bond interest a lower net loss was shown.

Many of the conditions responsible for recent losses are still present, it is understood, the principal one being the continuance of low purchasing power on the part of the average consumer in Western Canada where the company operates a large bakery business.

INCOME AND SURPLUS ACCOUNT
Years Ended August 31

	1934	1933
	$	$
Net earnings	30,867	42,238
Less: Depreciation	69,320	86,780
Bond interest	42,936	44,317
Add: Profit on red. of bonds	8,720	9,905
Net loss	72,669	78,954
Add: Previous surplus	*28,395	10,260
Surp. from red. of 1st pref. sink. fund	......	50,000
Less: Inc. taxes (prior years)	......	9,702
Deficit carried forward	101,064	28,396

*Deficit.

Strong Liquid Position

With a surplus of $216,453 of current assets over current liabilities the company's liquid position remains strong. Principal assets consist of cash $40,043 against $76,007 a year ago, Dominion Government bonds at cost $60,397 (market value $65,375) compared with $50,710 a year ago, accounts receivable, less reserve, $109,532 which was about $20,000 below 1933 and inventories $74,710 which was slightly higher.

Working Capital

	1934	1933
	$	$
Current assets	284,683	325,309
Current liabilities	68,230	67,072
Working capital	216,453	258,237
Ratio	4.17—1	4.85—1

Current liabilities of $68,230 were up slightly over $1,000 the figure reported in 1933 and represent accounts payable at the end of the company's fiscal year.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING OCTOBER 8

Range 1934 High	Low	Divd. Rate in $	Y'ld in % Oct. 5		Sales	Close Oct. 1 (or last)	Week Ending Oct. 8 High	Low	Close
				A					
2.50	.80		...	Abitibi	620	.95	1.00	1.00	1.00
10¼	4		...	Do. pref. 6%	....	4¼	..	..	..
7¼	2		...	Do. cert. dep.	....	2¼	..	..	..
x80	80		...	Acme F. D'y p.	....	..	..	..	..
3	3		...	Acme Glove	....	3	..	..	..
25½	25	3.25	...	Do. pref.	....	25	..	..	..
8½	5¼	20c	...	Agnew Surp.	....	6	..	..	..
90	72	7	8.2	Do. pref.	10	85	86	86	86
7	3		...	Alta. Pac. Gr.	45	3½	3½	3½	3½
23	14½		...	Do. pref.	20	15	15	14½	15
21	1½		...	Amal. Electric	5	1½	1½	1½	1½
[illegible]									

Range 1934 High	Low	Divd. Rate in $	Y'ld in % Oct. 5		Sales	Close Oct. 1 (or last)	Week Ending Oct. 8 High	Low	Close
95	70	6	8	Huron & E. Mt.	10	75	75	75	75
15	13		...	Do. 20% pd.	....	15	..	..	..
8	4½		...	Hydro Electric	....	4½	..	..	..
				I					
180	141	10	5.6	Imperial Bank	109	177	180	176	179
15½	12½	50+15c	4.3	Imperial Oil	9938	14½	15½	14½	14½
14	10½	52½c	4.3	Imperial Tob.	4642	11½	11½	11½	11½
17½	14		...	Inter. City Bak.	....	17	..	..	..
15½	15	4	...	Inter'c Coal	....	15½	..	..	..
100	100	8	8	Do. pref.	....	100	..	..	..
b9½	3½		...	Int. Hyd. E. A.	2500	3½	4	3½	3½
[illegible]									

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto) October 9, 1934

Public Utility Issues	Int. Rate	Due	Bid Oct. 9	Asked	Bid Oct. 2
Beauharnois L. H. & Power	5½%	1973	99½	101½	99½
Beauharnois Power Corp.	6%	1959	66½	...	66½
Beauharnois Power Corp.	5%	1973	54	56	54
Bell Telephone	5%	1955	106½	108½	106
Bell Telephone	5%	1957	108	109½	108
B. C. Power	5%	1960	97½	99½	98½
B. C. Power	5½%	1960	102	103½	102
B. C. Telephone	5%	1960	101½	103	102
Calgary Power	5%	1960	95	97	94
Canada Northern Power	5%	1953	95½	97	94
Cedars Rapids Mfg. & Power	5%	1953	109½	...	109½
Dominion Gas & Electric	6½%	1945	59	61	58
Duke-Price Power	6%	1966	89	91	88½
Gatineau Power	5%	1956	91½	93½	91½
[illegible]					

Smith, Howard	6%	1949	98½	100½	99
Steel Co. of Canada	5½%	1953	95	97	95½
Stop & Shop	6%	1940	108½	...	108½
Toronto Carpet	6%	1947	88½	...	89½
United Amusement	6%	1944	99½	...	99½
United Corpns.	6%	1942	89½	...	89½
United Gas & Fuel	5%	1953	74½	77	75
United Grain Growers	5½%	1948	87½	90	87½
Wabasso Cotton	5%	1948	83½	86	83½
Wabasso Cotton	6%	1947	99	...	97½
Woods Mfg.	7%	1942	100	...	99½
	6%	1943	86	...	86

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto) October 9, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar com.	2.80	3.20
Acadia Sugar pfd.	4.45	4.70
Allens London pfd. bonus com.	36.00	....
Allens St. Cath. pfd. bonus com.	36.00	....
Allens Toronto pfd. bonus com.	27.50	....
Andian National	35.00	36.50
Atlant. Sugar pfd.	90.00	92.00
B. C. P. & P. pfd.	10.50	12.50
Burns pfd. bon. c.	2.25	2.75
Can. Dom. Sugar	45.00	46.00
Can. Mach. com.	1.25	1.75
[illegible]		
pfd. WW	76.50	79.00
Ruddy pfd.	9.00	....
Standard Fuel pfd. bonus	95.00	....
Supersilk H. pfd.	50.00	57.50
Supertest Pet. B p.	23.50	25.50
Thayers com.	5.50	6.25
Thayers pfd.	....	39.00
West. Grain p. bon.	4.00	6.50
Wood, A. & J. pfd.	21.75	26.00

Insurance Stocks:	Bid	Asked
British America	32.25	...
Canada Life	432.00	...
Canadian Fire	57.50	61.00
Confed. Life 20% pd.	121.00	125.00
Crown Life	101.00%	...
Dominion Fire	95.50	...
Cont. Life 20% pd.	36.50	39.00
Dom. Life 50% pd.	180.00	...
Dom. Can. Gen.	100.00	106.00
Emp. Life 25% pd.	9.25	10.50
Excel. Life 30% pd.	76.00	80.00
Fed. Fire 25% pd.	38.00	...
Great West Life	[illegible]	
[illegible]		

London Quotations	
Brew. & Distillers	2s. 10½d.
Canada Company	7s. 6d.
Can. & For. Secs.	4s. 6d.
Can. Collier A inc. stk.	38
Do., B	7½
Can. N. W. Land	£1½
Can. West. Lumber	1s. 6d.
Hudson's Bay	25s.
Do., pref.	107s. 6d.
Imp. Tob. (Can.) 6% pfd.	27s. 6d.
Trust & Loan	3d.

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto
October 10, 1934

	Rate	Due		Bid	Asked	Approx. Yield
Dominion of Canada Bonds						
*†Dominion	5	1 Mar.,	1937	107.25	107.65	1.74
†Dominion	5½	1 Dec.,	1937	108.60	109.10	2.48
Dominion	5½	1 Nov.,	1934	100.15	100.40	...
Dominion	3½	15 Oct.,	1935	100.75	101.25	2.15
Dominion	4	15 Oct.,	1935	101.25	101.65	2.33
Dominion	5	15 Nov.,	1936	104.10	104.60	2.73
Dominion	4	15 Oct.,	1939	103.65	104.10	3.11
Dominion	4½	1 Sept.,	1940	105.65	106.25	3.33
Dominion	5	15 Nov.,	1941	108.40	108.90	3.57
Dominion	5	15 Oct.,	1943	109.40	109.90	3.69
Dominion	4½	15 Oct.,	1944	105.65	106.25	3.74
§Dominion	4	15 Oct.,	1943-45	101.65	102.15	3.71
Dominion	4½	1 Feb.,	1946	105.65	106.25	3.82
*Dominion	4	15 Oct.,	1947-52	101.30	101.75	3.83
§Dominion	4½	1 Nov.,	1946-56	105.25	106.00	3.89
§Dominion	4½	1 Nov.,	1947-57	105.25	106.00	3.92
§Dominion	4½	1 Nov.,	1948-58	105.75	106.15	3.94
§Dominion	4½	1 Nov.,	1949-59 (with talons)	105.75	106.15	3.97
Dominion Guaranteed Bonds						
xCan. Nat. Ry.	4½	1 Sept.,	1951	107.75	108.25	3.83
*Can. Nat. Ry.	4½	1 July,	1957	106.75	107.25	4.01
Can. Nat. Ry.	5	1 Feb.,	1954	111.50	112.25	4.08
xCan. Nat. Ry.	4¾	15 June,	1955	111.25	111.75	3.93
xCan. Nat. Ry.	4½	1 Feb.,	1956	108.50	109.00	3.88
xCan. Nat. Ry.	4½	1 Dec.,	1968	103.50	104.00	4.28
§xCan. Nat. Ry.	5	1 Oct.,	1969	113.25	114.00	4.00
§xMontreal Harbor Cm.	5	1 Nov.,	1969	114.50	115.50	3.92
Provincial Government Bonds						
*Alberta	4½	1 Oct.,	1956	93.50	95.50	4.83
Alberta	6	1 Mar.,	1947	103.50	105.50	5.39
*British Col.	4½	1 Oct.,	1953	92.50	94.50	4.95
British Col.	5½	1 Feb.,	1945	98.00	100.00	5.50
British Col.	6	15 Feb.,	1947	100.00	102.00	5.77
xManitoba	5	2 Dec.,	1959	100.50	102.50	4.83
Manitoba	5½	1 Oct.,	1955	101.50	103.50	5.22
Manitoba	6	1 Apr.,	1947	108.50	105.50	5.39
*N. B.	4¾	15 Apr.,	1960	105.50	106.50	4.34
N. B.	5	2 July,	1963	110.00	111.00	4.33
N. B.	5½	15 May,	1950	110.50	112.00	4.45
N. Scotia	4½	15 May,	1943	103.75	104.75	3.84
*N. Scotia	5	1 Mar.,	1960	110.00	112.00	4.23
xOntario	4	1 June,	1962	106.50	107.50	3.60
xOntario	4½	1 Sept.,	1944	101.50	102.50	3.86
Ontario	4½	1 June,	1950	105.25	106.25	3.97
xOntario	5	2 Dec.,	1960	115.00	116.00	4.01
Ontario	5½	1 July,	1946	113.00	114.00	4.02
§Ont. H. C.	3½-4-5	1 Oct.,	1952	97.00	98.00	4.07
xOnt. H. C.	4	1 Aug.,	1957	101.00	102.00	3.87
Ont. H. C.	4½	1 Jan.,	1970	109.50	112.00	4.11
Quebec	4½	1 Aug.,	1958	104.25	105.25	3.91
Sask.	5	1 Aug.,	1958	93.00	95.00	5.37
*Sask.	5	1 Nov.,	1959	93.00	95.00	5.38
Sask.	5½	1 Oct.,	1952	98.00	100.00	5.50
Sask.	6	15 Mar.,	1952	101.50	103.50	5.68
Municipal Bonds						
*Calgary	5½	2 June,	1944	88	93	6.45
*Edmonton	5½	1 Nov.,	1945	88	93	6.37
*Halifax	5	1 July,	1961	109	110½	4.34
Hamilton	5	1 May,	1950	108½	110	4.14
Montreal	5	1 Mar.,	1945	100	101½	4.82
Ottawa	4½	1 July,	1945	103½	105	3.93
*Quebec	5	1 June,	1959	101½	103½	4.76
Regina	5	1 July,	1944	75	85	7.12
St. John	5	15 Dec.,	1950	106	108	4.32
*Toronto	4½	1 Jan.,	1955	106	108½	3.89
Victoria	5	21 July,	1945	90	95	5.62
Winnipeg	5	1 Mar.,	1944	96½	99	5.13

†Tax exempt issues. *Payable in Canada and New York. §Yield at call price. xPayable in Canada, New York and London.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Ajax Oil & Gas	8c	2c	Oct. 15	Oct. 1
Atlantic Sugar, pref.	$7	$1.75	Oct. 1	Sept. 15
Belding-Corticelli, com.	4%	1%	Nov. 1	Oct. 15
Beatty Bros., pref.	6%	1½%	Nov. 1	Oct. 15
Brantford Cordage, pref.	8%	2%	Oct. 15	Sept. 20
Bralorne Mines	60c	15c	Oct. 15	Sept. 29
Bruck Silk Mills	$1	25c	Oct. 15	Sept. 15
Bell Telephone	$6	$1.50	Oct. 15	Sept. 22
B. C. Power, A	$1.50	38c	Oct. 15	Sept. 30
B. C. Telephone, 1st pfd.	$6	$1.50	Oct. 1	Sept. 16
Brewing Corp., pref.	$3	75c	Oct. 15	Oct. 6
Can. Dredge, pref.	7%	1¾%	Nov. 1	Oct. 19
Canada Northern Power, com.	$1	25c	Oct. 25	Sept. 29
Do., pref.	7%	1¾%	Oct. 15	Sept. 29
Canada Dry Ginger Ale	$1	25c	Oct. 15	Oct. 1
Can. Industries, pref.	$7	$1.75	Oct. 15	Sept. 29
Do., com. A	$4	$1	Oct. 31	Sept. 29
Do., com. B	$4	$1	Oct. 31	Sept. 29
Canadian Bronze	60c	15c	Nov. 1	Oct. 19
Do., pref.	$7	$1.75	Nov. 1	Oct. 19
Canada Iron pref.	$3	$1.50	Nov. 15	Oct. 31
Can. Fairbanks, pref.	$6	$1.50	Oct. 15	Sept. 29
Can. Gen. Investments (regd.)	40c	10c	Oct. 15	Sept. 29
Do., (warr.) Coup. No. 25	40c	10c	Oct. 15	....
Calgary Power, pref.	6%	1½%	Nov. 1	Oct. 15
Can. Pub. Service, pref.	$6.50	$1.62½	Oct. 1	Sept. 15
Dome Mines	$2	50c	Oct. 20	Sept. 29
Dominion Textile, pref.	$7	$1.75	Oct. 15	Sept. 29
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Great Lakes Power, pfd.	$7	$1.75	Oct. 15	Sept. 29
Gordon & Belyea, 1st pref.	7%	1¾%	Oct. 1	Sept. 27
International Nickel, pref.	7%	1¾%	Nov. 1	Oct. 2
Investment Foundation, pref.	$1.50	37c	Oct. 15	Sept. 29
Do., on arrears	...	13c	Oct. 15	Sept. 29
Imperial Bank	$10	$2.50	Nov. 1	Sept. 29
Inter. Bronze Powder, pfd.	$1.50	†22c	Oct. 15	Sept. 30
Kirkland Lake Gold	...	*3c	Dec. 1	Nov. 1
Macassa Mines	...	*5c	Nov. 1	Oct. 15
McColl-Frontenac pref.	$6	$1.50	Oct. 15	Sept. 29
Montreal L. Heat & Pr. Cons.	$1.50	37c	Oct. 31	Sept. 30
Montreal Tramways	$9	$2.25	Oct. 15	Oct. 4
Montreal Telegraph	8%	2%	Oct. 15	Sept. 29
Northern Ont. Power	$2	50c	Oct. 25	Sept. 29
Do., pref.	$6	$1.50	Oct. 25	Sept. 29
Penman's	$3	75c	Nov. 15	Nov. 5
Do., pfd.	$6	$1.50	Nov. 1	Oct. 22
Power Corp., pref.	$6	$1.50	Oct. 15	Sept. 29
Do., 2nd pref.	$3	75c	Oct. 15	Sept. 29
Premier Gold Mines	12c	3c	Oct. 15	Sept. 14
Southern Can. Power, com.	80c	20c	Nov. 15	Oct. 31
Southern Can. Power, pref.	$6	$1.50	Oct. 15	Sept. 20
Steel of Canada	$1.75	43¾c	Nov. 1	Oct. 9
Do., pref.	$1.75	43¾c	Nov. 1	Oct. 9
Teck Hughes	40c	10c	Nov. 1	Oct. 10
Tuckett Tobacco, pref.	7%	1¾%	Oct. 15	Sept. 29
United Securities, com.	$2	50c	Oct. 15	Sept. 27
United Gold Equities	10c	2½c	Oct. 25	Oct. 15
Western Grocers, pref.	7%	1¾%	Oct. 15	Sept. 20

*Initial.
†Initial payment covering period from Aug. 8 to Sept. 30, 1934.

Dividend Rate Reduced—
Teck Hughes Gold 60c. to 40c. per annum, Nov. 1.

Dividends Passed or Deferred—
International Hydro-Electric, $3.50 pref., deferred Oct. 15. Last paid 87½c. July 16, 1934.
New England Power, com. passed Oct. 15. Last paid 25c. July 16, 1934.

Dividend Rate Increased—
Steel of Canada, com., from 30c. to 43¾c. quarterly, Nov. 1.
Canadian Industries, com. A and B, $3.50 to $4 per annum, Oct. 31.

Winnipeg Stock Exchange

(Transactions from Sept. 30 to Oct. 6)

Div. rate in $	yield in %		Sales	High for period	Low for period	Close Oct. 6
..	..	Adanac	...	...	...	...
4	..	Canadian Fire	15	57.00	57.00	57.00
..	..	Fifty-Three Synd.	100	.40	.40	.40
..	..	Forty-Four	25	12.25	12.25	12.25
..	..	Gold Lake	800	.45	.42	.42
..	..	Gabrielle	9,470	.82	.68	.82
..	..	Island Lake	2,500	.07	.06	.06
..	..	Mosher L. Lac	100	.22	.22	.22
..	..	McL. Cockshutt	100	.55	.55	.55
..	..	Long Lac Adair	7,900	.16	.16	.16
..	..	Kingfisher	2,600	.22	.20	.20
..	..	Normandy	28	6.75	6.00	6.50
..	..	Ore Grande	12,400	.08	.05	.07
..	..	Do., Units	2	70.00	70.00	70.00
..	..	Oxford Lake	20	2.50	2.50	2.50
..	..	Rice Lake Units	25	15.50	15.00	15.00
..	..	Shawkey	500	.46	.46	.46
1	..	United Grain	98	10.50	10.25	10.40
..	..	Vanson Manitoba	50	.33	.33	.33
..	..	Wingold	600	.32	.32	.32
..	..	Wallace Lake	2,000	.10	.10	.10
..	..	West. Breweries	150	1.75	1.75	1.75
..	..	Wells L. Lac	1,000	.23	.23	.23

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Pelissiers, pref.	..	23
Beaver Lumber, c.	3	3f	Sov. Life 25% pd.	..	14
Beaver Lumber, pf.	..	63	Traders' Bldg.	60	..
Crescent Cream, pf.	..	25	Can. Amer. Tr. sh.	2.45	2.70
Home Investment	20		Can. Inv. Fund	..	3.45
North. Mtg. part pd.	..	5	Fundament. Ser. A	3.75	4.25
Northern Trust	..	15	Fundament. Ser. B	3.60	..
Pelissiers, com.	.25	..	Grouped Inc. shs.	..	3.90

* Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending October 8, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1934 High	Low
Mtl. L.H. & P. debs.	3	1939	3.73	47	47¼	47	47¼	43
McNish	6	1948	...	2.80	2.75	..	4.25	2.75

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Insurance for Buyer and Seller

ASK FURTHER LIST BALANCES OWING BY FIRE AGENTS

Returns Each Quarter Requested — Ont. June Report Complete

In an attempt to determine the extent of the credit and free insurance evil in fire and casualty lines in Canada with a view to finding some method of combatting it, the Association of Superintendents of Insurance of the Provinces of Canada is asking companies and general agents to make quarterly returns of overdue balances more than 90 days overdue, at least until after the 1935 conference. Returns will follow the exact lines of those requested as at June 30, 1934, and presented at the 1934 conference.

First of the new returns should be made as at Sept. 30, 1934, to the superintendents of the various provinces, it is stated in the official report of B. Arthur Dugal, chairman of the special committee.

Would Cancel Policies

At the recent conference at St. John, no support was forthcoming for the proposed amendment to standard fire and casualty insurance policies providing for automatic cancellation on failure to pay premiums. The statistical data now being collected is with a view to reintroducing this subject at the 1935 conference.

Complete results of the June 30, 1934, survey of overdue agents' balances has been obtained in Ontario, all registered companies making a return. In all, 1,081 agents were reported to be in arrears of premium, balances of 998 of these being less than $1,000, with debts of the balance ranging to over $10,000.

Aggregate amount of balances overdue in Ontario was $402,139 which compares with net premiums written in 1933 by the companies concerned of $3,936,429. Thus, it may be estimated that more than ten per cent of premiums written were over 90 days in arrears at June 30. While the bulk of the agents were only reported by one company, some were indebted to as high as 20 companies. Agents reported by leading cities, grouped according to amount of balance overdue, are shown in the following table:

Ontario Agents With Balances in Arrears
(More Than 90 Days Overdue at June 30, 1934)

	Under $1,000	$1,000 to $2,000	$2,000 to $10,000*
Toronto	269	12	6
Hamilton	27	6	5
London	32	3	6
Windsor	33	6	3
Ottawa	45	2	2
Elsewhere	592	17	11
	998	46	33

*In addition, 4 agents in Toronto had overdue balances of over $10,000.

Name Additional Speakers for Ontario Agents' Meet

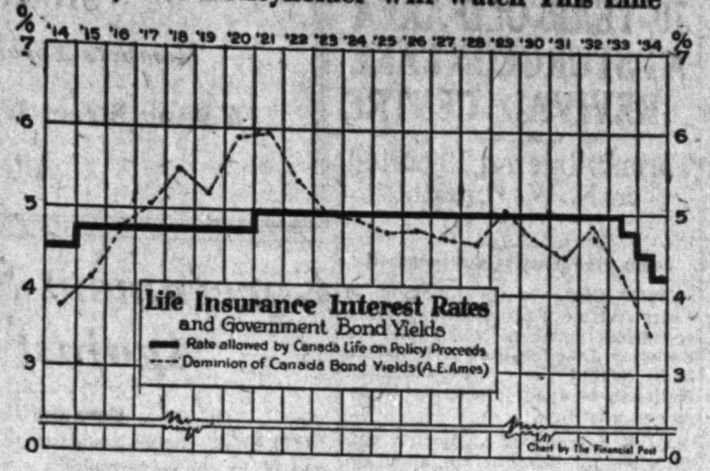
Although the complete programme for the annual convention of the Ontario Fire and Casualty Agents Association is not yet completed, announcement has been made that in addition to Hon. George S. Van Schaick, who will speak at the Thursday evening dinner, Hon. A. W. Roebuck, R. Leighton Foster and J. Grove Smith will address the members at other meetings.

Hon. A. W. Roebuck, Ontario attorney-general, is scheduled to give his address at the luncheon on Thursday, while R. Leighton Foster, Ontario superintendent of insurance, and J. Grove Smith, Dominion fire commissioner, will speak at the Friday luncheon.

Col. J. Innes Carling, president of the association, is in charge of the programme. Meetings are scheduled for October 18 and 19.

FIDELITY
Insurance Company
of Canada
TORONTO

Every Life Policyholder Will Watch This Line



Millions of dollars of life insurance funds left on deposit with Canadian companies are affected by the trend in recent months to reduce interest rates. The action of one leading company (Canada Life) which until the middle of last year maintained an even rate of 5 per cent for over 12 years, is shown above. The chart shows also how favorable is the rate payable to policyholders as compared with the return on government bonds.

25 Factory Mutuals To Register at Ottawa

Dominion Status for Famous Group Coming Soon—$500,000,000 at Risk Here

Within a few weeks the famous New England Factory Mutual insurance companies will receive certificates of registry from the federal insurance department at Ottawa, The Financial Post learns.

This action will bring to a close a controversy which has waged in Canada for forty or more years and which was brought to a head in 1927 when this important group of companies was licensed to do business in Canada for the first time by the provincial insurance jurisdictions of Ontario and Quebec.

$500,000,000 in Canada

Some idea of the importance of this group is indicated by the fact that the total business at risk in Canada of these companies at the end of 1933 was approximately $500,000,000. They thus rank among the first two or three company "groups" in the Dominion.

There are some 25 companies in the group, the official title being: Associated New England Factory Mutual Insurance Companies. Financial control is divided into several units within the group but in matters of operation and policy the group always acts as a unit. Risks, however, are written individually and not jointly by the group as a whole. Business is limited entirely to sprinklered risks, the bulk of which is in selected industrial and mercantile properties. The group carries some of the largest establishments and institutions in Canada on their books.

Here For Nearly 50 Years

For almost half a century these companies have done business in Canada and on their boards of directors are the names of several prominent Canadians, notably, A. O. Dawson, T. A. Russell and F. W. Evens. Until 1927 the companies did business as unlicensed insurers until Ontario and Quebec took the bull by the horns and granted a license in 1927 for their respective provinces.

The point of controversy has always been the question of a deposit, with the factory mutuals insisting that as mutual companies they could not segregate their assets and meet the federal requirement demanding a deposit from all foreign insurers for the sole protection of Canadian policyholders. The two provinces licensed the group without demanding such a deposit.

New Basis of Registry

The new basis upon which the group is now being registered at Ottawa was achieved at the last session of the federal parliament by an amendment to the federal insurance act and allows the group to be licensed without making a deposit, provided they maintain assets in Canada in excess of their liabilities here, and on the understanding that these assets, "shall continue to form a part of the general assets of the company available pari passu to all policyholders in or out of Canada in the same manner as its other funds."

Similarly the assets required to be kept in Canada can at no time be allowed to drop below the prescribed figure without the consent of the Treasury Board and under such conditions as it shall determine. The specific requirement of the federal insurance act as applicable to the assets of the New England Mutuals is contained in section (b) of clause 49 of the Foreign Insurance Companies Act, 1934, and reads as follows:

"For the purpose of determining the amount of assets in Canada required to be maintained .... the liability .... in respect of its outstanding policies in Canada shall be:

"Twice the net annual cost to the insured of insurance in force in Canada on the date of the annual statement ascertained by deducting from the annual premiums charged to such insured a credit allowance computed at the rate of the weighted average dividend or refund paid or credited by the company to its policyholders during the preceding five years."

Most Coverage in Ontario

Complete returns covering the business of the New England mutuals in Canada are not available for all Canada as yet. Returns of insurance departments of Ontario and Quebec, show, however, that net amount at risk in these two provinces at the end of 1933 was almost $450,000,000 of which $175,100,000 was at risk in Quebec province and $274,150,000 in Ontario. Additional unlicensed business is carried in Manitoba and British Columbia with smaller amounts in some other provinces, it is understood. These figures show some decline from the figures of six years ago. Returns made to these two provinces in 1928 showed at that time $506,000,000 of business at risk in Ontario and Quebec.

The oldest company in the New England group will celebrate its 100th anniversary next year. The youngest company was founded in 1902. Total business at risk in Canada and United States totals almost $8,000,000,000. Names of the 25 companies licensed in Ontario and Quebec, all of which it is expected will be shortly registered at Ottawa, follow:

American Mutual, Providence
Arkwright Mutual, Boston
Blackstone Mutual, Providence
Boston Manufacturers, Boston
Cotton & Woollen Mfrs., Boston
Enterprise Mutual, Providence
Fall River Manufacturers
Firemen's Mutual, Providence
Hope Mutual, Providence
Industrial Mutual, Boston
Keystone Mutual, Philadelphia
Manton Mutual, Philadelphia
Manufacturers Mutual, Providence
Mechanics Mutual, Providence
Mercantile Mutual, Providence
Merchants Mutual, Providence
Mill Owners Mutual, Chicago
Paper Mill Mutual, Boston
Philadelphia Manufacturers
Protection Mutual, Chicago
Rhode Island Mutual, Providence
Rubber Manufacturers, Boston
State Mutual, Providence
What Cheer Mutual, Providence
Worcester Manufacturers.

Northern Promotion

J. SINCLAIR DIXON

Appointed assistant actuary of the Northern Life Assurance Co. He recently attained his fellowship degree in the Actuarial Society and the Institute of Actuaries.

His Savings of Years Ago Support Him *To-day*

As a young man he used a portion of his savings to purchase a Manufacturers Life Endowment Policy. As his earning power increased he added other policies. During the years when the margin between income and outgo was not very large his life insurance provided the protection so necessary for a young family. Today his family is grown; he has retired from business and is reaping the reward of systematic thrift through an assured income for life.

There is nothing comparable to life insurance for financial independence. Talk it over with one of our representatives to-day.

Established 1887

THE MANUFACTURERS LIFE INSURANCE COMPANY
HEAD OFFICE TORONTO, CANADA

Arthur B. Wood Urges Changes In Field of Life Insurance

Increased Rates, Cash Surrender Charge Recommended By Chief Executive of Sun Life

A strong plea that all life insurance companies take immediate steps to place annuity contracts on a sound basis and consider also the imposition of a substantial surrender charge against those who cancel or abandon their policies, was made by Arthur B. Wood, president and managing director of the Sun Life of Canada before the American Life Convention this week.

"I cannot too strongly urge upon all companies transacting annuity business," said Mr. Wood, "and particularly the smaller companies, the importance of taking immediate action to place rates on a basis that will fully provide for the carrying out of the contract entered into and the expenses incidental to administering the business."

Premium Adjustment Needed

With respect to insurance rates generally he urged companies to "so adjust premiums as to provide fully for every contingency suggested by recent experience, current trends and immediate outlook."

"With participating policies the problem is comparatively simple, since margins of safety can be provided which if ultimately found not to be needed will be returned to the policyholders in the form of dividends, and correspondingly reduced net cost; in the meantime these margins provide a reserve against such adverse contingencies as falling rates of interest, increased expenses, or unfavorable mortality fluctuations.

"The mutual companies have a ready instrument of adjustment in their ability to vary dividend scales from year to year; the lower scales at present prevailing reflect the effect on surplus earnings of the conditions reviewed in this paper. In many cases, where participating rates have been reduced to a point where only a narrow profit could be anticipated even under normal conditions, upward revisions would appear to be desirable.

"With non-participating business the need for premium rate increases is more directly apparent. It is gratifying to observe that many companies of both classes have announced increases within the past year. While there is a natural reluctance to make adjustments when new business is so difficult to obtain, this consideration should not be allowed to delay an action directly affecting the stability of the business as a whole, and aimed towards safeguarding its permanent character."

Low Interest Rates

Reviewing the factors affecting annual premium policies, Mr. Wood referred to the two fundamentals of interest rates and expenses. Of the former he stated bluntly:

"Present indications point both to the possibility of further declines below present levels and to the continuance of low rates for a considerable time to come. The question obviously is one of great importance to the companies.

"I may here point out two things: first, that the availability of money at cheap rates is a condition precedent to general business improvement, and second, that the demand for money is an important factor in the rates it will command. If past experience is a reliable guide, we may take it that the present low rates which money will command, is a natural and essential phase in rehabilitation, and will in the long run prove a factor in restoring the condition of prosperity which in turn will put a higher value on money by increasing the demand for it. It is reasonable to expect that as business recovery becomes more established, and normal conditions are again restored, the trend will again be upwards.

ARTHUR B. WOOD

Effect on Premium Rates

"To preserve and ensure permanence and stability, however, life insurance companies must adopt a conservative attitude. They must face conditions as they are. The effect of reductions in the revenue derived from invested assets may be brought home by observing that to offset a reduction in the net rate of interest of one-half of one per cent, would on the average require an increase of approximately 5½ per cent in premium rates."

Indicative of the importance of this situation is the record of interest earnings by life companies in recent years, according to Mr. Wood. He quoted figures to show that although average rates earned between 1921 and 1929 were fairly uniform, the effect of the depression was such that the average gross rate earned by 100 United States companies in 1929 was 5.33 per cent and in 1933 dropped to 4.75 per cent. The average net rate for these two years declined from 5.1 per cent to 4.2 per cent.

Higher Expenses Probable

As to expenses Mr. Wood pointed out that while substantial reductions in overhead expenses had been effected in recent years as a result of economies of various kinds, many of which had been made possible by the general fall in prices, it was to be expected that business recovery accompanied by rising prices would naturally increase the cost of conducting the life insurance business. The high and increasing taxation on life insurance premiums was also noted as a factor which fell directly on policyholders in the form of higher premiums or lower dividends.

Suggests Surrender Charge

Commenting on the fact that surrender values have "during the past quarter of a century gradually been increased to a point where they have become entirely too high, particularly in the earlier years of the contract" Mr. Wood made the following suggestion:

"To preserve the principles of equity, a substantial surrender charge should be imposed on those who do not continue the contracts into which they have entered. The surrender charge at every duration should be such as to insure that a retiring policyholder will not benefit at the expense of continuing policyholders."

Warns Against Rigidity

Another problem brought to the front by the depression, said Mr. Wood, was the danger involved in overreadiness by life companies to make compulsory by statutory enactment, provisions introduced from time to time into life contracts.

"The power of competition can be relied upon to influence the companies to go as far as is wise in the direction of liberality. They should, however, be left free to correct discovered errors. Any trend towards compelling companies under legal requirements to make certain provisions in their detail operations, tends to limit the exercise of their judgment, and eventually must act as a deterrent in the improvement of existing services, or the introduction of new forms of service."

Striking figures were quoted by Mr. Wood to indicate the permanence of the institution of life insurance. Thus, he pointed out that of the 95 life insurance companies operating in Great Britain at the present time, 27 have had a continued existence of over 100 years and that 44 of the companies operating in the United States have a history extending over more than 40 years. The average age of the 20 largest life insurance companies on this continent, he observed, is 76 years.

"Together they have insurances in force of $80,000,000,000 and assets of $18,000,000,000—about four-fifths of the totals of all the companies in combination—while between them they have distributed in benefits over $29,000,000,000 an amount beyond our power to comprehend.

"During their notable careers these companies have successfully withstood every fluctuation of experience; war abroad and war at home; civil strife and political upheaval; plague and pestilence; financial panic and business disaster; and, what sometimes may be equally trying, periods of great expansion and prosperity.

"Our companies have survived these trials with a record which is impressive proof of the essential soundness of the underlying principles on which life insurance is conducted. It may be said that such casualties as have occurred have been caused by departure from these basic principles rather than from any fault in the principles themselves.

Value to Policyholders

"This character of permanence and stability is stressed for two reasons. First, that since the main benefits of life insurance become payable to the policyholder in his later life, or alternatively to his dependents after his life is terminated, he needs to be assured that life insurance is organized on principles that will enable it to extend its services beyond the term of his own earning or natural life. He presupposes this ability when he signs his application. And second, a realization of the inherent character of permanence in the life insurance contract is vital to sound management, as many of the problems with which management is faced depends for their solution on a recognition of this quality in the contracts they issue. It marks the difference between the nature of a life insurance company's obligations, and those entered into by other branches of insurance, or of financial institutions such as banks."

Huge Investment Fund

Referring to life insurance company investments and their importance both from the viewpoint of permanence and the company's earning power, Mr. Wood pointed out that the total assets of all types of insurance companies operating in the United States at the end of last year totalled something over $25,000,000,000. Of this huge sum the combined assets of the life insurance companies amounted to 87½ per cent of the total while only 12½ per cent represented combined assets of the fire, casualty and other types of company.

Since the interest rate earned on this huge sum of money was of vital importance to life insurance, Mr. Wood drew attention to the striking changes which have taken place recently in the placing of insurance funds. Thus, while mortgages still represented, as at the end of August, 1934, about 38 per cent of the total invested assets of United States life insurance companies, this outlet absorbed only slightly more than 4 per cent of the new money invested in the first eight months of the year. On the contrary, U.S. Government bonds in the same period represented about 56 per cent of current investments with the result that in the past 12 months insurance company holdings of this type of security increased from 3.86 per cent to 7.46 per cent of total invested assets.

Large Versus Small Companies

"At a time when the highest grade of long term bonds can be secured only on a low yield as compared with former years, there is also a tendency to hold an unusually large amount of cash and short term bonds in anticipation of more favorable investment opportunities in the near future. Although a higher yield may ultimately be obtained by policy of waiting, this may be more than counterbalanced by the loss of interest occasioned by delay."

The problem as between large and small companies is somewhat different, he observed, in that a company having large amounts to invest each month cannot under present day conditions find an outlet for all its funds in satisfactory long term securities, whereas the smaller company may find it possible to acquire a sufficient volume of first class, long term bonds to supply its needs.

As to the very important question of liquidity which has been of vital importance in recent years, Mr. Wood quoted figures to show that even in years of "unprecedented pressure" life insurance companies in the aggregate still had money available for new investments which, according to Mr. Wood, leads to the conclusion "that a life insurance company need have but a small proportion of its assets in liquid form in order to meet even such extraordinary demands as was thrust upon them by the depression."

POLICYHOLDER INTEREST RATE DROPS SHARPLY

(Continued from page 1)

holder funds was involved and the extra cost between 4½ and 5 per cent was thought worth the price as a matter of advertisement.

Three Kinds of Money

Here it is important to notice a difference which many companies make between the three kinds of policyholder money which they normally receive on deposit. These are as follows:

1. Proceeds of matured policies and death claims.
2. Dividends left on deposit.
3. Premium monies paid in advance.

Some companies treat all these items alike and allow their "current" rate of interest indiscriminately. Others make a distinction for premiums paid in advance and treat all other items on the same basis. The argument here is that where premiums are paid in advance and the amount discounted immediately, the company makes a contract which it may have to keep for a period of five, ten or perhaps twenty years, irrespective of changes in interest rates in the meantime. Thus many companies allow a considerably smaller interest on premiums discounted in advance.

4½ Per Cent Maximum

The general opinion among executives of leading companies as expressed to The Post is that for 1935, 4½ per cent on policies left on deposit would be the maximum and that an even lower rate might become general. One company, as far as it was concerned, if the present situation in the bond market continued, a 3½ per cent rate would not be at all improbable.

Actual rates paid by leading companies in 1934 and previous years are shown below. Two features of this table are noteworthy. First that U.S. companies operating in Canada have invariably maintained a lower rate than Canadian companies and have varied it very carefully from year to year. Second, that several of the rates announced by life companies in Canada for 1934 have subsequently been reduced within recent months.

Representative Canadian Companies	1934 %	1932 %	1931 %	1929 %
Sun	4.25	5	5.5*	5.5
Canada	4.5	5	5	5
Great West	4.75	5	5.5	5.5
Manufacturers	4.75	5	5	5
Mutual of Can.	4.75	5.25	5.5	5.5
London	5	5.25	5.5	5.5
Confederation	5	5	5	5
Imperial	4.75	5	5.21	5.24
North American	5	5	5	5
Dominion	5	5.5	5.5	5.5
Crown	5	5	5.5	...
Excelsior	4.75	5	5.25	5.25
Monarch	5	6	6	...
Ont. Equitable	4.5	5.17	5.5	...
Montreal	4.75	5	5	5
Continental	5‡	5.5	5.5	5
Sovereign	5	5	5	5
Leading U.S.A. Companies in Canada				
Metropolitan	4.25	4.75	4.75	4.75
New York	4.25†	4.50†	4.60	4.60
Aetna	4.25	4.8	4.8	4.8
Prudential	4	4.5	4.75	4.75

* Increasing with duration.
† ¼% less, payable on funds subject to withdrawal.
‡ Reduced Sept. 1 to 4½%.

"GOOD COMPANIONS MY PIPE - PICOBAC AND ME"

"I'm not much of a one for reading story books. Newspapers give me about all the fiction I want. But a friend of mine gave me a mighty nice book at Christmas a couple of years ago. I haven't read it all yet, but it's got a great title. 'The Good Companions' is the name of it.

"When I load up my pipe with Picobac and start away after breakfast in the morning I feel I have my two best friends along.

"A Good Companion ... that's Picobac—any day, any time! Try it yourself.

"And don't forget, you get more tobacco for your money, now.

"Picobac's good for making cigarettes, too."

NEW SEAL-TIGHT POUCH 15¢
HANDY POCKET TIN 10¢
ALSO IN ½-POUND "LOK-TOP" TINS

"IT DOES TASTE GOOD IN A PIPE"!
Picobac
Imperial Tobacco Company of Canada, Limited
GROWN IN SUNNY, SOUTHERN ONTARIO

50 Years of Service with Security

Founded in 1884—still adheres to its original sound insurance practice—adequate protection at fair rates, supported by ample resources.

The PORTAGE LA PRAIRIE Mutual Insurance Company
Portage la Prairie, Man.
TORONTO VANCOUVER EDMONTON MONTREAL

THE MONARCH LIFE ASSURANCE COMPANY
Established in 1906
Up-To-Date Plans — Stronger Than Ever
A PROGRESSIVE CANADIAN COMPANY
Branch Offices From Coast to Coast

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
Head Office: Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

Established 1869
Strength• Stability•
Assurances in Force (Dec. 31, 1933) $518,521,336.00
Assets $138,912,508.00
Surplus Funds and Contingency Reserves $11,917,526.04
A Purely Mutual Company
Every dollar of surplus earnings belongs to policyholders and is either actually paid or allotted as cash dividends or held in trust for future distribution.
THE MUTUAL LIFE Assurance Company OF CANADA
HEAD OFFICE WATERLOO, ONT.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST.
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE WATERLOO, ONTARIO
The Dominion Name
The World's Safest Investment is Life Insurance
Consult a Dominion Life Representative

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
HEAD OFFICE—WAWANESA, MAN.
Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE LIABILITY DOCTORS AND DENTISTS LIABILITY PLATE GLASS
APPLICATIONS INVITED FOR AGENCIES IN ALL PROVINCES
Eastern Offices: 341 CHURCH ST., TORONTO

News of Canadian Mining Investments

The Week in Mining

Mining Market Slumps

THE mining market seems to be definitely in a slump. Price action of stocks on the mining section of the Toronto Stock Exchange has shown a persistent downward trend during the past week and on Tuesday the market was further depressed by disturbing news from Europe. Losses, however, have for the most part been small and trading volume has been lacking.

Definite explanation of the present trend of mining issues to lower levels seems to be lacking other than the slackening off of buying. Some observers are of the opinion that it is an indication that market operators have arrived at the conclusion that there is no immediate prospect of a higher price for gold while others feel that it is only a temporary recession following upon a period of buoyant prices.

Prominent among the issues to show declines have been the base metal stocks, especially those which are large producers of copper. The recent decline in price of the red metal in the London market has had a depressing effect upon the stocks of the larger producers. Noranda, Hudson Bay Mining and Smelting and Coast Copper all registered substantial losses, the most noticeable being that of Noranda. On Tuesday that company's stock sold down over $2 from the previous close, shares changing hands as low as $36.10.

Announcement that the Securities Commissioner would conduct an enquiry into the recent gyrations of Teck-Hughes and the alleged short-selling just prior to the cutting of the dividend did not disturb the Teck stock.

* * *

Radio Broadcasts

DEBARRED from the use of the telephone in selling securities to any but regular clients by the Dominion Companies Act and a regulation just put into effect by the Ontario Government, high pressure salesmen have discounted this step already by increasing their appeal through radio. They are not supposed to recommend stocks of any kind in such wide appeals nor even to ask the general public to write in or telephone in to the firm sponsoring the broadcast. A way has been found to circumvent these regulations.

A mining brokerage firm, not as a rule a member of any recognized stock exchange, will sponsor a broadcast of market news of mining or other stocks, or an economic discourse on the business situation, inflation, the gold standard, the price of silver or what not. The speaker says hardly a word of the firm he represents, does not tout a single stock and in every way gives an unexceptionable performance.

But before and after his discourse, the announcer for the broadcasting station mentions the firm in some such words as these: "You are about to hear (or you have just heard) Mr. X of the well known brokerage firm of Guff and Guff which sponsors this discussion of investment problems every night at this hour. He will speak again tomorrow night on a problem of interest to every investor. If you will write or telephone to this station or to Guff and Guff, 123 Ketchum St., Toronto, with any questions concerning investments, Mr. X (or Guff and Guff) will be glad to answer to the best of their ability. They have files covering every company now operating. You make no commitments but they will be happy to serve you."

* * *

THE talk of the announcer is not always so extensive, but to have the official announcer do the advertising gives it more effect than though the appeal came from the firm's accredited speaker himself. Every man who writes in, asking for information, is then on the firm's list of clients. Connection is established. The firm can telephone or write to answer his questions, send a salesman to push the claims of stock and the whole game can go on as per former schedule.

Admittedly this question of radio announcements has some difficult aspects. One of them is the fact that some thoroughly reliable firms are giving quotation service over the air. But those who are pursuing the high pressure salesman must meet the problem created by the radio. Apparently it will be necessary to talk over the question with officials of broadcasting stations and to get into the minds of announcers an understanding of just what can be permitted in the way of such announcements. The radio can be used and is used legitimately by securities firms doubtless as well as for come-on purposes. The securities business has too much dynamite in it, however, for telephone and radio to be open as indiscriminately as it is by vendors of groceries, milk and refrigerators. And the largest and most responsible firms are not guilty of these fantastic forms of appeal so often heard of late years.

* * *

Index of Mining Stocks

THE weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926 equals 100, was 135.6 for the week ending October 4, as compared with 138.4 for the previous week.

Nineteen gold stocks fell from 136.5 to 134.1, and four base metals stocks from 151.5 to 147.2.

Consolidated Smelters Production Shows Gain

Sharp increases for both the third quarter and the first nine months of 1934 to date, as compared with 1933, are shown in the production statement of the Consolidated Mining and Smelting Co. of Canada. Comparative figures for the third quarter and the first nine months are as follows:

	1934 3rd. qu.	1933 2nd qu.
Lead, tons	40,729	38,901
Zinc, tons	29,136	27,072
Copper, tons	74	255
Silver, ounces	2,004,515	1,766,863
Gold, ounces	8,168	8,617
Nine Months ended September 30:	1934	1933
Lead, tons	115,000	91,757
Zinc, tons	80,024	46,043
Copper, tons	329	
Silver, ounces	5,567,355	4,234,393
Gold, ounces	25,810	17,380

RENO GOLD MINES REPORT REVEALS $52,732 PROFIT

Balance Sheet Position Shows Improvement Over Previous Year

Reno Gold Mines in its annual report for the year ended June 30, 1934, shows a net profit of $52,732, equivalent to 2.88 cents per share on the company's outstanding capitalization of 1,826,306 shares, after providing for depreciation, depletion, administration charges and income taxes.

Revenue for the year from production totalled $419,371, which after deducting production costs of $256,927, left net earnings of $162,433 from production. Miscellaneous income amounted to $2,834. Administration and general charges of $30,015, depreciation and depletion of $75,415, and reserves for Dominion and provincial income taxes of $7,105 left the net profit as shown above.

A comparative analysis of this year's statement with the previous one is difficult since the 1933 report covered the 14-month period ended June 30, 1933. In addition one must also bear in mind that the company was in production only six months of this period. The company's mill burned in February, 1932, and production was not resumed until January, 1933. However, a net profit of $38,707 was shown in the period covered by the report, bullion recovery, including premium, amounting to $153,423.

Power Shortage

The comparison does indicate, however, that operations during the 1934 fiscal year were on a more satisfactory basis than in the last six months of the 1933 fiscal period, and production in the current year is expected to be at an even higher level. In the month of July the mill yielded a peak recovery of $68,000 but since that time operations have had to be slackened up due to the lack of power. Next month commercial power will be available from the West Kootenay Power & Light Co. which is at present building a transmission line into the area. This will assure maximum milling and mining operations.

The shortage of power has been due to the lack of water for power generation. At the present time the creeks are so low that power generated by the company's plant is sufficient only for alternate operation of the mill and the mine. When the mill is running the underground work at the mine is partially idle, and when the mine is being operated the mill has to be closed down. This situation resulted in the August production falling to approximately $61,000 and the September output to an even lower figure.

Working Capital Improves

The balance sheet as at June 30 last shows an improvement in working capital position over the previous year. Current assets totalled $90,058 and current liabilities, $56,989, leaving a working capital of $33,069 as compared with $21,350 as at June 30, 1933. Current assets consisted of $24,912 cash, $63,721 bullion and $1,425 receivables.

Total assets are shown at $2,009,940. Investments consisting of 18,250 shares of Gold Belt Mining Co. are valued at $51, deferred charges at $19,247 and mine and mill plants, after allowing for depreciation of $72,137, at $295,046. Mining properties are carried at $242,877, after allowing $92,000 depletion, and discount on shares at $1,362,659.

Share capital subscribed and allotted amounts to 2,000,000 shares of $1 par value, less shares returned by underwriters totalling 173,694, leaving an outstanding capitalization of $1,826,306. Surplus carried forward was $126,645.

Additions to Mill

The directors' report accompanying the financial statements states that during the period under review there was expended on additions to the mill and mine equipment the sum of $83,827, to increase the facilities of the mill and also to provide equipment for the mine, including a hoist for the three-compartment shaft which is being sunk from the fifth level. The hoist installed will enable sinking operations to be continued to a depth of 1,500 ft.

"During the year," the report says, "the main part of your company's efforts were directed toward development of the Reno vein and the installation of equipment at the mill, nevertheless, time was found to clean out the tunnels and workings of the Motherlode and Nugget mines. The Donnybrook vein was stripped for a considerable distance on surface. During the coming year, our company will be able to devote further attention to the development of these properties."

Ore Reserves

As at June 30, I. M. Marshall, mine superintendent, estimated developed ore, after due allowance for dilution, to be 49,600 tons, containing 31,790 ounces of gold, or an average of .64 ounces per ton. This compares with 38,680 tons containing 26,143 ounces as at August 29, 1933.

Development work during the year totalled 4,418 feet, made up chiefly of drifting.

SISCOE GOLD MINES INTERSECT MAIN VEIN

Vein Shows Width of 5½ ft. With Free Gold, Company Reports

Siscoe Gold Mines, in a report to the Montreal Curb Market, states that it has intersected the main vein in a crosscut on the eighth level, which is at a depth of 1,100 ft. This company, the pioneer producing gold mine in the northwestern district of Quebec, states that at the intersection of the main vein it shows a width of 5½ ft. with free gold in evidence. The crosscut from the shaft to the intersection is 450 ft. in length. The company reports that the new hoist at the property is now being turned over and the new crushing and picking plant will be ready to go into operation as a coordinated unit. The mill at this property is handling 310 tons daily.

McMillan Head Dies Ere Goal Attained

From Our Own Correspondent

SUDBURY.—McMillan Gold Mines, of West River, shipped its first gold brick to the mint at Ottawa last week, after practically one month's operation of its new mill. The brick was valued at approximately $25,000.

A tragic episode surrounding the pouring of the first gold at the McMillan was the sudden death of the company's president, Dr. J. H. Banks, noted geologist and metallurgist, of New York, who had labored tenaciously and optimistically for 14 years to bring a gold mine into production. On a visit to the property where he had intended being present at the pouring operation, he was taken ill of a heart attack and expired three days afterward at Espanola, a few miles distant from the mine. The ultimate financing and organization of operations that finally gave the finishing touches to McMillan as a gold producer were due to the initiative of Dr. Banks, who piloted the property through a long period of adversities.

SUDBURY CONTACT TO START SHAFT ON QUEBEC GROUP

Denny States Orebody Proven Over Length of 400 Feet

In an interim report on its Cadillac Quebec property, issued over the signature of H. S. Denny, president, Sudbury Contact Mines states that "sufficient evidence has now been obtained to justify shaft sinking and lateral development work to exploit the deposit."

Mr. Denny states that the ore body has been proven over a length of 400 ft., but believes that it extends both easterly and westerly through the property.

Of the recent extensive diamond drill programme, Mr. Denny states:

"Beyond what was considered the main vein occurs another zone of schisted material, partly quartz and partly schist, the whole being mineralized. No particular attention was paid to it in Hole No. 2 because it was considered that the big quartz vein was the main orebody, but quite unexpectedly considerable free gold was observed in this section in Hole No. 4, and over a width of 32 ft., including one poor section and approximately five ft. of lost core, the average assay is $10.30. The best two sections are 8½ ft. from 247.5 to 256 ft., averaging $19.80, and 9½ ft. from 270 to 279.5 ft. averaging $16.95."

Northern Gold Belt Offers 300,000 Shares

To provide finances to carry out further development work on its property in the Beatty-Munro area of Northern Ontario, Northern Gold Belt Mining Co. is making a public offering of 300,000 shares of its stock at 25 cents per share through Harris, MacKeen & Co., Toronto financial house. Seventy-five per cent of the proceeds of the issue will go into the treasury.

The Northern Gold Belt property consists of 10 claims in Beatty twp., three of which are patented. The claims were staked by the late Bert Ashley, co-staker with William Garvey of the Ashley mine in the Matachewan area, and development work was under his supervision up to the time of his death last year. Some ten veins have been opened up by several hundred ft. of trenching, with visible gold exposed at a number of points. Channel sampling yielded good values. One sample taken over a width of 10.5 ft. of mineralized porphyry and quartz stringers gave an assay value of $8.50, calculated with gold taken at $20.67 an ounce, while another sample over a width of three ft. yielded $9 per ton.

Several engineers have examined the property including J. H. C. Waite, John C. Rogers and Col. R. P. Rogers. The reports of these men drew attention to the favorable geological conditions and recommended a programme of diamond drilling.

Northern Gold Belt Mining Co. was incorporated in 1925 and has an authorized capitalization of 3,000,000 shares, par value $1 each, of which 1,000,000 shares are outstanding. Of the outstanding amount 925,001 shares were issued for properties and development work and 715,551 of these shares are pooled. The company is headed by Dr. James W. Barton as president. Geo. K. Archer, Toronto, is secretary-treasurer and A. R. Graham, M.E., Consulting engineer.

Claim Greene Stabell to Boost Mill Output

After a visit to the property in the Harricanaw district of Quebec, Robert Fennell, a director of Greene-Stabell Mines, reports that the management of the company expects to increase the present daily production of 80 tons very soon and also to reduce their costs. The present costs are $6.02 per ton which includes mining, hoisting, crushing, milling and mine office general expense. Mr. Fennell also reports that in August 2,150 tons of ore were milled and produced 661 ozs. of gold ($22,135 gold at $35) and 31,655 lbs. of copper.

It is announced that Greene-Stabell Mines has acquired an option on 17 mining claims comprising 680 acres immediately adjoining and to the northwest of the present property. This property is known as the East Sullivan extension and gives Greene-Stabell a total of 1,007 acres in all. The company states that extensive diamond drilling has been done on the East Sullivan and that it plans to explore the property from its present 600-ft. level.

ANGLO-HURONIAN DOLLAR EARNINGS ENSURE DIVIDEND

Company Has Ample Cash to Finance Worthy Prospects

When shareholders of Anglo-Huronian Limited meet for the company's annual meeting on November 2, they are likely to hear of the announcement of a dividend on their shares. The exact amount of the dividend, of course, remains in doubt. But the first annual report of the company, recently issued, showed additions to surplus during the year of $1,249,698 or approximately $1 a share on the 1,252,605 shares outstanding. As the company is well fortified with cash and liquid assets, it would occasion surprise if the directors did not undertake to pay out a proportion of this amount to shareholders.

Three Chief Activities

Anglo-Huronian is at once an operating company, a financier of exploration and development work, and an investing institution. It has only one producing property, the Vipond mine, and this property, together with other properties, have been written down to the small sum of $6,224 in the balance sheet. Vipond recoveries amounted to over $647,000 last year and there was a profit after expenses of mill operation, etc. Another source of revenue was dividends from investments in mining and other securities. These totalled $2,440,651 at the end of the year. All of these investments are marketable securities and are included among the company's liquid assets. Dividends received amounted to $81,640.

On bank balances and on call loans, the company received interest of $64,560 and there was in addition a profit on foreign exchange. After payment of all expenses the profit from these sources was $203,896. But a much larger income, amounting to $1,239,315, came from profits realized on investments. After allowances for taxes on both classes of earnings the company's surplus increased by $1,249,698, all of which is available for distribution to shareholders as the directors see fit.

Advances in Exploration

At July 31, the end of the fiscal year the company had more than $2,600,000 in cash and call loans. In the ordinary course of events, this sum is available for the purchase of such securities as the directors consider likely to prove profitable and for advances to mining companies in the exploration and development stage. It is likely that the latter phase of the company's activities, the financing of mining development, will in time become its chief work as the organization has been frankly patterned on the larger English mining finance houses, which finance in a scientific manner promising mines in all parts of the world. Usually the company advancing such funds is given options on additional blocks of shares. If any particular venture proves successful the profits may be very great. Anglo-Huronian has been an important factor in the financing of Central Patricia, God's Lake Gold Mines, Minto Mines and others. At July 31, its advances to and shares in other mining companies totalled $267,994. The company does not show these advances as a liquid asset yet total liquid assets were approximately five million dollars.

The stock showed a book value of nearly $4.25 a share.

Income Figures

Last week in presenting Anglo-Huronian figures, The Financial Post deducted taxes from the ordinary operating and interest profits of the company. More properly the taxes should be deducted from the whole of the earnings which would show this set-up of figures:

INCOME AND SURPLUS ACCOUNT
Year Ended July 31, 1934

	$
Revenue:	
Metal recoveries incl. prem.	647,016
Dividends	81,640
Profit on foreign exch.	38,382
Net interest earned	64,560
Sundry earnings	3,128
	834,726
Less expenses:	
Mine operating and develop.	521,092
Insurance	4,899
Municipal taxes	2,115
Gen. & organ. exps.	90,463
Examination write-offs	1,701
Depreciation	10,560
Profit	203,896
Add: Profit on investments	1,239,315
Total profits	1,443,211
Tax reserve	193,513
Added to surplus	1,249,698
Working Capital	
Current assets	5,301,773
Current liabilities	320,334
	4,981,439

Claim Kingfisher Cuts Vein Over Four Feet in Width

From Our Own Correspondent

WINNIPEG. — W. E. Bailor, managing director Kingfisher Gold Mines, who returned from Buffalo, N.Y., Sunday morning, made a trip by plane the same day to the Kingfisher property at Long Lake. On the Mill vein the diamond drill cut a vein four feet nine inches in width carrying visible gold. Most of the drilling done has been on what is known as the Valley vein which dips into the muskeg at the north end, with the Mill vein apparently joining it somewhere under the muskeg. The drilling now being done will endeavor to determine this point. Mr. Bailor, in commenting on his recent trip, said much interest in Canadian mining was apparent in the eastern States. Jordan, Rosenthal and Co. have purchased 350,000 shares of stock in the Kingfisher in addition to optioning another 400,000 shares.

Surface work on the Kingfisher property has also disclosed a number of new veins on the Lilly claim, Lilly fraction and Burns claim.

Parkhill Gold Mines.—A gold recovery estimated at $45,000 is shown in preliminary figures from Parkhill Gold Mines, sent to the Montreal Curb Market. The September recovery sets a new high for the property and compares with $24,600 for August, 1934. The company states that drifting on the ninth level has started and that stopes on the upper levels are showing a good grade of ore.

Alberta Cuts Turner Field Output Quota

A daily limit of little more than 252,000,000 cubic ft. has been set by the Natural Gas and Petroleum branch of the Alberta Lands and Mines dept., in new quotas for gas withdrawals recently issued.

Tests of some 90 wells during the summer, showing a net decline in pressure throughout the field, were taken as the basis of the new quotas, and while in some individual cases slight increases were thus indicated, the net result has been a slight decrease in the total gas withdrawals permitted under the government's development policy.

The quota in force during the past year has been 280,000,000 cubic ft. per day. Revision of the total gas withdrawals permitted is made each year on the basis of pressure tests.

PROPERTY REVIVAL IN SHINING TREE CONTINUES APACE

Most Extensive Operation in Old Area is Wasapika-Ribble

From Our Own Correspondent

SUDBURY.—One of the mineral areas worked years ago, before $35 gold was thought of, and which is experiencing renewed activity under the impetus of the large premium on the yellow metal is West Shining Tree to the north of Sudbury. One of the factors that is assisting in the new development is the construction of the motor road which will open up Shining Tree and Tyrrell townships and will connect the area with the silver mining camps of Gowganda and Elk Lake.

Wasapika Revived

Probably the most extensive of the operations is that at the old Wasapika-Ribble property, which is now controlled by Neville-Canadian Gold Mines. The latter company is erecting a new headframe, installing new machinery, and otherwise making ready for an extensive development programme. With electric power available it is expected that drills will before many days be again blocking out ore underground.

In the earlier days of West Shining Tree, there had been $370,000 expended on development of the Wasapika. A shaft was sunk to a depth of 300 ft. and levels opened at 100, 200 and 300 ft. It was estimated that approximately 37,000 tons of ore had been placed in sight. The original owner was the Wasapika Consolidated Mines, to be followed by Ribble Mines.

The Neville-Canadian Gold Mines, it is understood, will do some diamond drilling in addition to extending underground development, and plans are said to include construction of a 50-ton mill.

Besides the work at the Wasapika, several other properties are being revived. The White Rock, Atlas and Beilby were recently amalgamated under the terms of an agreement adopted at a meeting of the various interests held in Sudbury. A force of men will be put to work in the near future in an exploratory campaign.

On the old Westree mine a gang of men under Tom Bullock have dewatered the shaft and put everything on surface in first-class shape.

Churchill Mill Tuned Up

The recently equipped mill at the Churchill Mining & Milling Co., of 15 tons daily capacity, has been tuned up and is being fed with pay ore. Development work is also proceeding underground.

In Tyrrell township, as well as in Shining Tree some promising gold discoveries have been reported this summer.

Work on the new road connecting West Shining Tree with Gowganda is being rushed, and it is expected that by the end of October the highway will be in shape for the hauling of heavy machinery and other mining equipment. The bridges are all built, the road is gravelled and cars are running to within a mile or so of the Tyrrell township boundary.

Ottawa Issues New Maps of Sturgeon River Area

The Topographical and Air Survey Bureau, Department of the Interior, Ottawa, has just issued two new maps of a part of the Long Lac area which is just now very much in the public interest on account of the numerous stakings of mining claims in Ontario's newest gold field. These two maps are on the scale of one mile to one inch and include an area 46 miles long in an east and west direction and 14 miles wide. The two maps show the east and the west portions of this strip which lies astride the Toronto, Long Lac, and Fort William branch of the Canadian National Railways between Octopus and Jellicoe. Stations on this railway which were previously almost unknown are now prominently mentioned in connection with new gold discoveries and Little Long Lac, Bankfield, Hardrock, Jellicoe, etc. are becoming increasingly important in the prospecting and mining news items.

Predict Much Activity in North Alberta Field

From Our Own Correspondent

EDMONTON. — Next spring will see considerable development in the newly discovered gold area at Beaverlodge, on the north shore of Lake Athabaska, 140 miles east of Fort Chipewyan, it is believed here. The latter point is 560 miles north of here.

Already, 250 claims have been staked and prospectors are preparing to extend their work. Airplanes have carried several parties to the new region, where it is claimed that good assays have been obtained.

Major L. T. Burwash, well-known explorer, who recently returned from a season's work in the Yellowknife river country on the north shore of Great Slave Lake, stated when interviewed that all Western Canada would benefit from gold mining development in the north country.

30-YEAR-OLD AREA AT STURGEON LAKE REVIVAL CENTRE

Toronto Interest Reported in N. W. Ontario Field

From Our Own Correspondent

WINNIPEG.—In the limelight 30 years and more ago, Sturgeon Lake cornering between Wako on the Superior Junction-Port Arthur line and Savant on the Canadian National, is again attracting widespread attention.

J. M. Scott and Hector M. Chisholm of Toronto are about to acquire a group of claims at the southern end of the north arm, according to G. A. McCartney who is in Winnipeg, fresh from a trip into the territory, while several other groups in the vicinity have also been staked including a large group staked by J. A. Borthwick, usually to be found in any field of activity; Venture, the Richelieu mines and several others.

St. Anthony Active

Three decades ago, the St. Anthony was an operating mine. It has operated intermittently ever since. There is at present a modern hundred ton mill producing on the property and it never looked in a more healthy condition. The St. Anthony is at the north end of Northeast Bay and is easily available from Savant on the Canadian National.

The scene of the present activity is 17 miles south at the southerly end of the north arm. Several parties, including I. Waite, of the Waite, Ackerman, Montgomery triumvirate, are reported flying parties of men in from Fort William and Port Arthur, while there has been a considerable amount of quiet staking going on for many months. One Winnipeg outfit, Canadian Mining Projects has a group of claims at Sturgeon Lake.

The Scott Chisholm group is based on one of the old discoveries known as the Rainbow claims. Nearly 30 years ago a scion of British aristocracy worked one of the Rainbow claims in a desultory way. The property lies a mile or two back of what used to be known as the Half-way House, an old time hostelry going strong when the Transcontinental Railway was being built.

Acquired Library

On Rainbow Island, which isn't much larger than necessary to accommodate a good sized house, but which is beautifully treed with spruce, the Britisher erected a commodious cabin and stocked it with first class literature. For some years he worked a rich narrow vein which cropped out on the island and lived by the simple expedient of crushing his rich quartz and panning it for gold. He made sufficient for his wants and lived there until the death of relatives necessitated his return to the old country to assume new responsibilities.

There were many other properties at that time. On the east side of the northern section of the lake, Jos. Coveny, of Fort William, owned a group of claims, which he sold about 1907 for a good cash consideration. Little real work to develop any of the properties was done, however, and nothing in the nature of diamond drilling, and though there were numerous rich surface indications, no mines with the single exception of the St. Anthony were developed.

Kirkland Consolidated In Sturgeon River Area

Word was received in Toronto this week from the Sturgeon River area, scene of Canada's largest gold rush, that Kirkland Consolidated Mines has staked 21 claims in the district. Six of the claims, according to a statement from the company, lie north and east of the Brookbank property and north and west of the K. L. Exploration claims. The other 15 claims are west of Lake Windigokan.

No details as to the possibilities of the property are available as yet, and until further word is received from Ralph Hurd, M.E., the company's engineer who is in charge of the prospecting party, no announcement will be made to the company as to its plans.

Kirkland Consolidated Mines was formed in June of this year as a reorganization of Kirkland Consolidated Gold Mines. The company owns several properties but to date work has been centred on 14 claims in Grenfell twp., Kirkland Lake area. The authorized capitalization of the company is $7,000,000 shares, par value $1 each, of which 4,565,706 shares were issued for properties acquired from the old company.

Gold Fern Syndicate Try To Revive Old Producer

Formed to develop the old Fern Mine, in Nelson and Trail Creek Mining Division of B.C., the Gold Fern Syndicate is currently selling units at $10 per unit, the proceeds of which are, company officials state, to continue development work with the ultimate objective of incorporating a company with an authorized capitalization of two million shares of $1 par value.

The property now owned by this syndicate has seen considerable development work, the claims having been first discovered in 1897. Since that time, the Fern Gold Mining and Milling Co. have erected a ten stamp mill, developed the mine by four tunnels. The total production of this mine is said to have exceeded $300,000. While the former operators closed down early in the century, the property has of recent years been worked by lessors.

The syndicate is managed by Leonard L. Adams, of Buffalo, with H. M. Dignam, of Toronto, secretary treasurer. Norman C. Weser, of Buffalo, N.Y., and Ivan Marks, of Richmond Hill, Ont. are on the board of managers. Units have been underwritten, it is understood, by Kenneth Bernhard Ltd.

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Government Silver Policy Against Nationalization

From Our Own Correspondent

OTTAWA.—Doubt has arisen with respect to the government's silver policy by reason of the visit to Ottawa of D. S. McMaster, president, and Ross Brown, assistant secretary, of the Montreal Silver Exchange. These officials asked Hon. E. N. Rhodes if the Canadian government intended to follow the lead of the United States with respect to silver and Mr. Rhodes replied that the government's policy could not be announced in advance.

As a matter of fact, the government, while there are bi-metallists in it, has no intention of imitating Washington in this regard. It is learned, authoritatively, that Mr. Rhodes has not changed his views since last session when in speaking to a resolution, moved by Thomas Reid, of New Westminster, he opposed the monetization of silver. Mr. Rhodes then argued that such a policy would not produce the favorable results claimed by its advocates but, on the contrary, would be definitely injurious.

There had been some uneasiness on the part of sponsors of the new Canadian Commodity Exchange, Montreal, lest the Government nationalize silver and hamstring the embryo market. It now appears that the Dominion's policy on silver is to accumulate the stocks required by the London Silver agreement of 1933 and no more. The new market, therefore, should have no immediate fears with regard to government intervention of the American type.

Bidgood-Kirkland Gold Resumes Cross Cutting

In a report to the management of Bidgood Kirkland Gold Mines, Oscar L. Knutson states that diamond drilling has been continued in the southwest crosscut to a distance of 71 feet, when adverse conditions were encountered owing to broken ground, at which point the drill was removed and crosscutting again started. Mr. Knutson reports that sludge samples of the last ten feet returned a value of $19.60. He states that the importance of this section will have to be determined with the crosscut which is now under way. It is announced that an additional air supply will be received in the course of the next few days from compressor installations for the expansion of development work.

Superior Gold Mines Mill Now 90 Per Cent Finished

Advices from the head office of Superior Gold Mines state that the building of the mill is 90 per cent completed and that mill machinery and equipment are now in place. Officials expect that the West Kootenay Power & Light Co. will have completed the power line by the middle of this month. Track and hoists have been laid and completed on the fourth level, and ready to break ore on the fifth and sixth levels on the north end of the Providence mine. No. 2 shaft on the south end of the Providence property is being rushed to the 600-ft. level. Officials state that the mill should be completed and running by October 15.

Superior Gold Mines was organized to take over the property of Askalta Oil Co. Ltd., holding 17 gold mining claims adjacent to Dentonia Mines. Greenwood district, B.C. The company also holds 196-acre oil lease in the Montana section of Red Coulee field from which production for the month of September is estimated at 3,000 barrels. The company is getting $1.35 per barrel, f.o.b.

Harkness-Hayes Mines To Make Public Offering

Harkness-Hayes Gold Mines has announced that it will make a public offering of its stock within the next few weeks in order to provide finances for the development of its property near Schreiber, Ontario, which it acquired recently from Harkness-Hayes Gold Mining Co.

Considerable development work has been done on the property during the past five years including the driving of three adits, one of which is in for a distance of over 1,000 ft. Eight veins have been disclosed on the property. The property is equipped with a complete mining plant.

Harkness-Hayes Gold Mines has an authorized capitalization of 3,000,000 shares, par value $1 each, of which 1,570,000 shares have been issued for properties.

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We have prepared summaries of the following companies, any of which we shall be glad to mail on request. In addition we have on file the latest information and reports of approximately 3,000 mining companies and all the Canadian industrials. If you require information or advice on any stocks please do not hesitate to write to us.

SUMMARIES
Please send me copies of the following summaries which I have marked with an X and maps of the districts in which they are located:

X		X	
	BANKFIELD		LAKE SHORE
	BLACK RIVER		LITTLE LONG LAC
	BOBJO		McMILLAN
	CENTRAL PATRICIA		SAN ANTONIO
	CUNIPTAU		SMELTER GOLD
	GOD'S LAKE		SYLVANITE
	HOLLINGER		TECK-HUGHES
	HOWEY		WRIGHT-HARGREAVES

Name ....
Address ....
P.3

Sudbury Mines Limited
The Company has entered the STURGEON RIVER GOLD AREA and will be issuing progress reports on developments.
Shareholders are advised to have stock REGISTERED into their own names immediately.
(Signed)
W. G. Pickering, Sec.-Treas.
TRANFER OFFICE
Premier Trust Company
15 Richmond St. West,
Toronto, Ontario.
HEAD OFFICE
11 Jordan Street,
Toronto,
Ontario.

J. S. Mitchell & Company
Limited
Geo. W. Murphy — Vice-Pres. and General Manager,
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Specializing in Mining, Mill and Contractors Supplies
Steam Coal, Hard Coal and Coke, Electric Supplies, Sporting Goods
78-80 Wellington St. North SHERBROOKE, QUE.

CANADIAN GOLDS SOON TO BE LISTED ON DETROIT MART

B. C. Stocks Among Pioneers in New Trend, Report States

A number of actively traded Canadian mining stocks are to be listed on the Detroit Stock Exchange in the near future, The Financial Post is informed. The listing requirements of the exchange were changed three weeks ago so as to make possible the listing of both junior and senior gold issues and while no definite announcement has been made several active British Columbia companies are mentioned as being in line for listing. Included in these are Bradian, Bralorne, Pioneer and B.R.X.

It is not considered surprising that British Columbia mining stocks are among those most prominently mentioned among those to be listed. American capital has been particularly interested in the development of British Columbia mines and Detroit interests have financed several properties in the Pacific province. While interest in Detroit seems to centre about British Columbia companies, it is said that the stock of several of the large operators in Eastern Canada will also be added to the Detroit board. Dome Mines is the only Canadian mining issue that has been traded in the Motor City.

Reflects Interest

This latest proposal whereby the United States investing public will be provided with another convenient market for the trading of Canadian mining stocks merely reflects the increased interest of the investor of that country in mining companies operating in Canada, and more especially in gold producers. The volume of buying on the Toronto Stock Exchange that has originated from United States has indicated for some time that U. S. investors are becoming gold minded and that Canada's increasing wealth in the form of precious metals is making an impression upon speculators across the border.

Recently a contingent of Detroit brokers made a tour of inspection of the mining fields of Ontario and Quebec as the guests of Col. C. D. H. MacAlpine, Toronto mining financier. They were greatly impressed by the actual activity occurring in the mining camps along the T. & N.O. and in the Rouyn district and are said to have returned to Detroit with a new appreciation of Canada's most rapidly expanding industry.

RICHSTRIKE GETS CHEERING REPORT FROM CALIF. AREA

Mill Changes at Boswell Have Been Completed —Work Two Shifts

From Our Own Correspondent

VICTORIA.—Mill changes at the Boswell mine near Redding, California, owned by Richstrike Gold Mines, have been completed, according to officials of the company, and the plant is now operating with two shifts. Emil Schnee, managing director, who left last week for the scene of operations, stated that the full three shifts will be at work again soon after his return and the mill treating ore at the rate of 60 tons per day.

On a recent visit to the property R. H. Pooley, former Attorney General of B. C. and now a prominent shareholder in the company, took a number of samples from the Miner's Dream vein, the average of five samples all across distances of from five to eight feet being $149.52.

Drift on 100-ft. Level

An additional 100 ft. of drifting has been completed on the 100-ft. level of the Miner's Dream vein and a second vein in this section has now been opened up by crosscutting. At the present time sinking to the 200-ft. level is in progress as part of a programme which will open up five levels within the next year.

On the Pat Holland placer property owned by Richstrike on Coffee Creek, California, 15,000 yards of overburden have been washed and only 800 ft. remain to be cleared off before tested ground is reached. The 15,000 yards returned approximately 50 ounces of gold valued at about $1,500 or about 10 cents per yard. Cost of moving the overburden has averaged seven cents per yard, indicating that this development work has more than paid for itself.

An artificial channel has been blasted through bedrock for 2,000 ft. in order to safeguard the workings from a slide.

Company officials estimate that they will be working in virgin ground in another two months.

Duparquet Mining Co. Appoints Geo. Miller

Duparquet Mining Co., with properties comprising 1,037 acres in Duparquet township, Quebec, one-quarter mile from Beattie Gold Mines, reports the appointment of George Miller who has had mining experience in Canada, United States and South America, as manager of the property in charge of the more extended development work now planned. As consulting geologist the company has also appointed Andrew Walz. The company reports that it has two mining drills in operation. During the summer these were used in exploratory work covering much of the property. It is stated that from now on the company will concentrate its work in those sections where drilling has produced the most favorable results.

Columario Con. Ships First Concentrates

A wire received from John Willman, mine manager of Columario Consolidated Gold Mines states that 35 tons of concentrates containing about 160 ounces of gold are being shipped to the smelter. This is the first shipment of concentrates and includes the production during the running in of the new 90 to 100-ton mill, the installation of which was completed recently. The mill is now operating continuously 24 hours a day.

BLACK RIVER GOLD MAKES OFFERING PLAN TO DRILL

Draper, Dobie & Co. Underwrite Block of 500,000 Shares

With property comprising five groups of claims, approximately 3,500 acres in the Rice Lake area of Manitoba, Black River Gold Mines is offering the public a block of shares at 25 cents each. The Financial Post is informed that Draper, Dobie & Co. have firmly underwritten 500,000 of this company's stock and that the present offering will net Black River Mines 17½ cents per share.

Black River Gold Mines has an authorized capitalization of $3,000,000 in $1 par value shares of which 1,580,000 are outstanding. The company was incorporated under a Manitoba charter in April of this year. It is stated that over $80,000 has been spent in developing the property to date. Chief interest in this regard centres on the claims immediately adjoining San Antonio Mines to the north. Draper, Dobie & Co. states that there has been developed 18,500 tons or more of ore averaging about one ounce of gold to the ton. Operating costs are said to be in the neighborhood of $6 per ton.

Drilling Plans

Officials of the company informed The Financial Post that a crew of men under W. K. Harding, one of the original owners of the San Antonio property, has been engaged for the past five months in prospecting and developing the various properties of the company with good results. It is stated that diamond drilling is planned on several of the more important showings on the "26th" and other groups.

Directors of the company include Frederick G. Corning, one time director and consulting engineer for the Dome Mines, as president; W. J. Green, managing director; W. H. Bouck and J. R. Hetherington, directors; and Paul Fahrenholtz, secretary-treasurer, New York. Mr. Corning is from New York. The rest of the directors are Toronto men.

Bridge River Consolidated Mines—Word has been received by company officials that a crosscut on the 300-ft. level has picked up the Haylemore vein.

Mining Stock Quotations

Week Ending October 8.

Par Val.	Range 1934 High	Low	Company	Sales	Close Oct. 1 (or last)	High for week	Low for week	Close Oct. 8
1	.06	.01	Aconda	2,500	.01½	.01	.01	.01
No	.33	.12	Aldermac	14,950	.14½	.17	.14½	.14½
1	.10	.01½	Alexandria	82,700	.02	.02	.01½	.02
No	.18	.04½	Algoma	3,050	.06	.05	.04½	.04½
1	.04	.01½	Amity Copper	4,000	.01½	.01½	.01½	.01½
No	4.51	2.00	Anglo-Huronian	3,612	4.20	4.50	4.17	4.50
1	.08½	.02½	Area	7,000	.02½	.02½	.02½	.02½
No	.20	.02	Arno	5,000	.02	.02	.02	.02
1	1.25	.30	Ashley	3,900	.36	.35	.30	.35
1	.18	.05½	Astoria Rouyn	15,000	.06½	.06½	.05½	.05½
1	.60	.04	Bagamac	54,000	.08½	.10½	.08	.08½
1	.04½	.00½	Baldwin	13,000	.01½	.01½	.01½	.01½
1	.22	.09	Barry Hollinger	21,800	.09½	.10½	.09	.09
1	2.05	.65	Base Metals	725	.70	.75	.70	.75
1	.91	.16	B.E.A.R.	86,600	.22	.28½	.23	.23½
No	2.45	2.00	Beattie Gold	4,883	2.05	2.15	2.00	2.00
1	.51	.26½	Big Missouri	20,562	.35½	.38	.34	.37
1	.75	.23	Bobjo	46,010	.41	.41½	.35½	.40
1	3.72	2.15	Bradian	1,020	2.25	2.50	2.15	2.50
No	17.00	9.90	Bralorne	2,470	14.00	14.00	13.85	14.00
1	1.50	.10	Brasil Gold	6,100	.15	.20	.10	.10
1	.16	.03	Brett Trethewey	3,500	.03½	.03	.03	.03
50c	1.41	.28½	Bridge River Ex.	49,250	.36	.43	.35	.42
1	.09	.01½	Brownlee	9,400	.02½	.02½	.02½	.02½
1	.02½	.00½	Buckingham	500	.01	.00½	.00½	.00½
1	3.98	1.90	Buffalo Ankerite	4,339	3.60	3.75	3.50	3.50
No	.14	.03	Buffalo Can.	4,000	.04	.04	.03	.03
5	37.50	23.50	Bulolo Gold	200	37.00	37.10	36.50	36.50
No	.11	.03	Bunker Hill (new)	3,230	.09	.09½	.08	.08
5s	1.20	1.00	B'Wana McKubwa	......	1.20	.....	.....	.....
No	.14	.02½	Canam Metals	......	.03	.....	.....	.....
1	.20	.04½	Can. Kirkland	54,600	.05	.05½	.04½	.04½
No	.78	.38	Can. Malartic	7,850	.65	.62	.60	.60
1	.02½	.00½	Capital Rouyn	1,000	.00½	.00½	.00½	.00½
1	2.85	1.00	Cariboo Gold	500	1.15	1.15	1.08	1.08
1	.09	.01	Cartier Malartic	14,500	.05½	.05½	.05	.05
1	.81½	.49	Castle Trethewey	31,065	.64½	.68	.63½	.67
1	.16	.07	Cen. Manitoba	4,250	.08	.08½	.08½	.08½
1	1.25	.54	Cen. Patricia	22,385	1.02	1.03	.97	1.00
No	.16½	.05½	Chibougamau Pros.	78,300	.10½	.10½	.08½	.09½
1	.15½	.04½	Church. M. & Mill.	2,800	.07½	.06	.05½	.05½
No	.14	.03	Clericy	3,500	.03½	.03½	.03	.03
1	.03½	.01	Clifton Cons.	1,000	.01	.01	.01	.01
5	5.75	2.80	Coast Copper	1,075	3.00	3.50	3.25	3.50
1	.06½	.02	Cobalt Contact	9,600	.03	.03	.02½	.02½
No	.94½	.20	Columario	5,000	.26	.26	.24	.25
5	2.45	1.35	Coniagas	250	1.81	2.00	1.85	2.00
No	1.60	.97	Coniaurum	1,580	1.45	1.47	1.45	1.47
25	170.25	118.00	Cons. Smelters	803	131.00	131.50	127.50	131.00
25c	.41½	.31	Crown Cons.	35,975	.39½	.41½	.39	.41½
No	45.50	32.25	Dome Mines	325	40.25	41.10	40.25	41.00
1	.12	.08	Dom. Explorers (new)	750	.09½	.09½	.09	.09½
1	.02½	.00½	Dominion Kirk.	2,000	.01½	.01½	.01½	.01½
1	.17½	.01	Duparquet	24,450	.06	.06	.05	.05½
1	4.35	1.76	Eldorado	8,525	2.05	2.30	2.05	2.06
No	4.15	3.00	Falconbridge	2,250	3.55	3.60	3.56	3.59
1	.11½	.01½	Federal	2,500	.02½	.02½	.02½	.02½
No	.07	.02	Gilbec	2,500	.02	.02½	.02½	.02½
No	4.80	.70	God's Lake	46,680	2.05	2.15	1.84	1.97
1	.30	.08	Goldale	2,500	.18½	.19	.18	.18
50c	.47	.30	Gold Belt	52,300	.31	.42	.30	.40
10	.57	.15	Goldfield	2,000	.18	.18	.15	.15
1	.43	.12	Goodfish	900	.15	.15	.12	.12
1	.18½	.02½	Graham Bosquet	13,800	.06½	.06½	.05½	.05½
1	1.09	.50	Granada Gold	8,550	.54	.54	.51	.51
No	.53	.19	Grandora	......	.19	.....	.....	.....
1	1.22	.66	Greene Stabell	88,160	.71	.73	.70	.72
1	.18	.05	Grozelle	1,000	.08	.06	.06	.06
1	.48	.06	Grull Wihksne	500	.06	.06	.06	.06
1	2.50	1.28	Gunnar Gold	53,600	1.58	1.65	1.42	1.59
1	.53½	.07	Halcrow Swayze	13,200	.10	.10	.08	.09
1	.15	.03½	Harker	27,526	.07½	.08	.07	.07½
1	.02½	.00½	Hilltop	6,000	.00½	.00½	.00½	.00½
5	21.65	11.40	Hollinger	16,320	19.90	21.00	20.00	20.85
1	1.40	.93	Howey Gold	12,950	1.19	1.22	1.16	1.16
No	15.00	9.00	Hudson Bay	1,670	13.00	13.25	13.10	13.10
1	14.25	10.45	Inter. Mining	50	13.75	11.80	11.80	11.80
1	6.25	4.00	Do., Pur. Warr.	......	5.85	.....	.....	.....
No	29.00	21.15	Int. Nickel	12,500	24.00	24.25	23.12	23.75
1	.48	.28	J. M. Cons. Gold	22,980	.29	.35	.29	.33½
1	.08½	.00½	Keora Mines	10,000	.03	.03	.02	.02
1	.39½	.18	Kirkland Cons.	53,050	.36½	.36½	.18	.24½
1	.73½	.40	Kirk. Hud. Bay	500	.45	.40	.40	.40
1	.05	.00½	Kirk. Hunton	500	.01½	.01½	.01½	.01½
1	.79½	.29	Kirkland Lake	42,850	.70½	.72½	.70	.70
1	.40½	.20	Kirk. Townsite	4,400	.22½	.23	.21½	.21½
20c	.02½	.01	Koot. Florence	1,000	.01	.01	.01	.01
1	.23	.02	Lakeland	8,100	.02½	.03	.02½	.02½
No	.18	.04½	Lake Maron	16,900	.05	.05	.04½	.05
1	58.50	42.00	Lake Shore	3,355	57.25	58.50	57.00	58.40
1	.48	.19	Lamaque Contact	6,900	.20	.23	.19	.20
1	.26	.06	Lebel Oro	16,600	.06½	.07	.06	.07
1	.22	.08	Lee Gold	2,200	.09½	.10	.09	.10
No	7.75	4.05	Little Long Lac	5,555	6.45	6.30	6.00	6.25
1	3.05	1.85	Macassa	36,702	2.72	3.00	2.73	2.83
1	.08½	.01½	Malrobic	13,700	.02½	.02½	.02½	.02½
No	.17	.05	Mandy	1,000	.10	.10	.10	.10
No	.40	.21½	Manitoba & Eastern	23,450	.26	.27	.23	.23
1	1.00	.15	Maple Leaf	58,150	.18	.18½	.15	.16½
5	50.00	39.25	McIntyre	1,151	44.00	50.00	44.25	45.75
1	1.74	1.01	McKenzie Red L.	8,150	1.40	1.42	1.35	1.35
1	.75	.50	McKinley	662	.71	.75	.70	.75
No	.06½	.01½	McLeod River	37,500	.02	.02½	.02	.02½
1	.75	.39	McMillan	23,250	.63	.64	.62½	.63
No	.55½	.25	McWatters	24,800	.41	.45	.41½	.42½
1	1.21	.39½	McVittie	11,900	.50	.50	.44	.45
5	1.50	.50	Mentor Exp. & Dev.	......	.50	.....	.....	.....
No	2.47	1.45	Mining Corp.	1,900	1.57	1.60	1.46	1.50
No	.21	.20	Minto Mines	1,100	.20	.21	.20	.20
1	.08½	.02½	Moffatt Hall	13,000	.03½	.04	.03½	.03½
1	.20	.08½	Moneta	3,000	.10	.12	.12	.12
1	.04	.01½	Murphy	7,000	.01½	.01½	.01½	.01½
No	.09½	.02	Newbec	3,500	.02½	.02½	.02	.02
1	.06½	.03	Night-Hawk Penn.	13,000	.04	.04½	.03½	.04½
5	2.85	2.00	Nipissing	4,245	2.60	2.65	2.56	2.59
No	45.05	33.25	Noranda	2,260	37.85	38.50	37.50	38.25
No	.54	.22	Nor. Canada	6,700	.33	.33	.29	.29
1	.27	.07	Osisko	2,000	.09	.08	.08	.08
1	.72	.25	Parkhill	21,050	.32	.33	.30	.33
1	.06	.01½	Pawnee Kirk.	1,000	.02½	.01½	.01½	.01½
1	.31½	.19	Paymaster	37,715	.25	.25	.22½	.23½
1	1.40	.40	Pend Oreille	500	.50	.50	.40	.40
1	.06½	.01½	Peterson Cobalt	15,300	.02½	.03½	.02½	.02½
1	1.90	1.26	Pickle Crow	13,715	1.68	1.70	1.60	1.65
1	14.15	10.30	Pioneer Gold B.C.	710	11.40	11.90	11.40	11.90
1	.08½	.01½	Porcupine Crown	16,500	.03½	.03½	.03½	.03½
1	.03	.00½	Potter Doal	2,000	.01	.01½	.01½	.01½
1	1.75	1.02	Premier Gold	3,570	1.26	1.30	1.25	1.25
1	.06½	.01½	Preston E. Dome	1,000	.02	.02½	.02½	.02½
No	.60	.30	Prospectors Air's.	5,800	.39½	.56	.39½	.45
1	.70	.15	Quebec Gold	8,800	.18	.17½	.16	.16
No	.15	.04	Quemont	......	.04	.....	.....	.....
1	1.73	.27	Read Authier	13,650	1.21	1.25	1.18	1.18
1	1.29	.75	Reno Gold	17,600	.82	.95	.84	.89½
1	.02½	.00½	Ribago	4,500	.00½	.00½	.00½	.00½
1	.05½	.01½	Ritchie	1,000	.02	.02½	.02½	.02½
1	.11½	.01½	Robb Montbray	21,000	.03	.03½	.03	.03½
1	6.30	1.75	San Antonio	13,452	5.20	5.30	5.00	5.15
1	1.43	.43	Sherritt Gordon	13,190	.48	.48	.45	.45
1	2.88	1.43	Siscoe	26,625	2.50	2.58	2.48	2.53
1	4.00	2.95	South Amer. Gold	100	3.00	3.20	3.20	3.20
1	.07½	.02½	South Keora	33,600	.06	.06½	.05	.05½
No	.26½	.06	South Tiblemont	203,100	.08	.08½	.06	.06½
No	.46	.08½	Stadacona	80,260	.28	.29	.23	.27
1	.65	.31	St. Anthony	20,730	.47	.48	.44	.44
No	2.00	1.00	Sudbury Basin	3,198	1.35	1.35	1.27	1.30
1	.16½	.05	Sudbury Contact	71,200	.08	.13½	.07	.12½
1	.11½	.00½	Sudbury Mines	11,250	.07½	.07½	.07	.07½
1	.63	.44	Sullivan Cons.	102,142	.48	.60	.48	.60
1	3.20	1.29	Sylvanite	18,890	2.70	2.80	2.65	2.74
1	8.05	4.00	Teck Hughes	31,315	4.18	4.46	4.25	4.35
1	.59	.20	Thom. Cadillac	47,400	.45	.46	.39	.43
1	.02	.01½	Temiskaming	......	.01½	.....	.....	.....
1	.76	.26	Towagmac	3,100	.30	.35	.30	.32
1	.85	.25	Treadwell	......	.31	.....	.....	.....
No	.02½	.01	Vacuum Gas	10,500	.01	.01	.01	.01
No	1.12	.77	Ventures	18,980	.95	.98	.93	.93
1	.03½	.01½	Vickers	10,500	.01½	.01½	.01½	.01½
No	1.53	.75	Waite Ackerman	7,052	.81	.85	.75	.80
50c	.50	.06	Wayside Cons.	40,100	.08½	.09	.08	.08
No	.43	.15	White Eagle	19,975	.18	.19½	.17½	.18
1	.07½	.01½	White Lake	2,000	.01½	.02	.02	.02
1	.18	.05	Wiltsey Coughlan	2,100	.08½	.08½	.08	.08
1	.20	.05	Wood Kirkland	4,600	.10½	.10	.09	.09
No	10.25	6.75	Wright-Hargreaves	10,665	8.80	9.30	8.90	8.95
			OIL STOCKS					
No	.33	.16½	Acme Gas & Oil	3,500	.17	.17½	.16½	.16½
1	.20	.09	Admiral	......	.20	.....	.....	.....
1	1.60	.89	Ajax	1,350	1.00	.99	.90	.95
1	.25	.08	Alta. Pacific	2,000	.09	.09	.08½	.08½
No	.35	.12	Associated	......	.12	.....	.....	.....
No	.13	.03	Baltac	1,000	.03	.03½	.03½	.03½
No	1.60	.60	Calgary & Ed.	1,225	.65	.65	.60	.60
1	.15	.05	Calmont	1,500	.07	.06½	.06½	.06½
No	.12	.04	Common Pete.	1,000	.04	.04	.04	.04
No	.65	.22	Dalhousie	1,675	.25	.24	.22	.22
No	.30	.09	East Crest	500	.10	.11	.10	.11
No	.58	.07	Erie Gas	......	.11	.....	.....	.....
No	.75	.25	Foothills	......	.25	.....	.....	.....
No	.25	.20	High Sarcee	......	.23½	.....	.....	.....
No	1.90	.70	Home	2,410	.75	.80	.70	.70
1	.25	.12	Homestead O. & G.	11,000	.17	.20	.17½	.19
No	.44	.11	Lowery	500	.11	.11	.11	.11
No	.42	.19	Merland	500	.21½	.21	.21	.21
1	.48	.10	Midwal Oil	......	.10	.....	.....	.....
1	.33	.17	Model	1,000	.20	.19½	.19½	.19½
5	.17½	.05	Nordon	2,500	.05½	.05½	.05½	.05½
No	.09	.03	Oil Selections	3,000	.03½	.03½	.03	.03
No	.34	.08	Olga Gas & Oil	256,200	.18	.17½	.11	.16
1	1.10	.50	Petrol Oil & Gas	......	.55	.....	.....	.....
No	19.55	12.75	Royalite	1,048	13.00	13.00	12.75	12.75
1	.13	.04½	Sarnia Oil	1,500	.04½	.04½	.04½	.04½
No	.17	.07	South West Pete.	......	.15	.....	.....	.....
No	1.00	.63	Wainwright West	12,750	.86	1.03	.88	.95

VANCOUVER STOCK EXCHANGE
(Transaction for Week to October 6.)

Par Val.	Range 1934 High	Low	Company	Sales	Close Sept. 28 (or last)	High for week	Low for week	Close Oct. 6
1	.09½	.01½	Alexandria	4,500	.01½	.02	.01½	.01½
25c	.03½	.01	Bayview	16,000	.02½	.02½	.02½	.02½
20c	.08½	.03	Beaver Silver	73,600	.06	.07½	.06	.07
25c	.03½	.01	Bluebird	......	.01	.....	.....	.....
1	3.70	2.05	Bradian Gold	3,430	2.25	2.40	2.05	2.36
No	16.95	9.85	Bralorne	2,500	14.50	14.15	13.75	14.15
1	.48	.07½	Bridge River Cons.	41,300	.08½	.09½	.07½	.08½
50c	1.40	.28	Bridge River Exp.	109,270	.40	.42	.34	.40
50c	.27	.15	B. R. Mountain Gold	......	.15	.....	.....	.....
1	1.76	.51½	B. C. Nickel	36,075	.73	.75	.70	.71
1	1.25	.90	B. C. Silver	100	1.00	.95	.95	.95
50c	.28	.08	Butte I.X.L.	......	.09	.....	.....	.....
50c	.24	.10	Canadian Rand	3,100	.14	.12	.10	.12
1	2.90	1.00	Cariboo Gold	7,050	1.18	1.25	1.10	1.25
No	12.60	8.75	Coast Breweries	301	9.65	9.90	9.00	9.90
1	.51	.18	Congress Gold	7,000	.30	.30	.24	.24
25c	.02	.00½	Cork Province	......	.00½	.....	.....	.....
1	.08	.05	Cotton Belt	......	.05	.....	.....	.....
1	.06	.01½	Dalhousie Mines	3,500	.02	.02	.02	.02
No	2.07	.25	Dentonia	38,300	.51	.57	.48	.53
No	.07½	.03½	Dictator	2,000	.06	.03½	.03½	.03½
1	.45	.14	Dunwell	2,000	.18	.19	.19	.19
No	.44½	.12	Fairview Amal.	39,700	.17½	.24	.17	.24
1	.12	.07½	Federal Gold	......	.10	.....	.....	.....
1	.42	.25	George Copper	......	.25	.....	.....	.....
50c	.02½	.01½	George Enterprise	......	.01½	.....	.....	.....
1	.06½	.01	Georgia River	17,000	.01	.01	.00½	.01
50c	.08	.01	Glacier Creek	1,000	.03½	.04	.04	.04
1	.63	.30	Golconda	2,500	.30	.32	.30	.32
5c	.20	.13	Golconda Ex.	......	.13	.....	.....	.....
50c	.63½	.27	Gold Belt	11,080	.28	.45	.30	.45
50c	.51	.15	Gold Mountain	2,000	.27	.15	.15	.15
50c	.06	.01½	Grandview	......	.01½	.....	.....	.....
No	.38	.16	Grange Mines	10,700	.27½	.28	.26	.26
1	.50	.04	Grull Wihksne	13,000	.05½	.06	.05½	.05½
No	.16	.04	Haida Gold	5,100	.09½	.09	.07	.09
25c	5.80	5.25	Hecla	......	5.25	.....	.....	.....
50c	.34	.18	Hedley Amal.	41,000	.31	.32	.31	.31
No	.29	.08	Hedley Sterling	......	.08	.....	.....	.....
1	.09½	.03	Hercules Cons.	39,000	.03	.04	.03	.03½
No	.28	.07	Home Gold	9,000	.13	.13½	.13	.13
1	.04	.01½	Independence	3,000	.02	.01½	.01½	.01½
1	.04	.01½	Indian Mines	......	.02½	.....	.....	.....
1	.15½	.10	Inter'tl Coal	2,000	.13	.13½	.13½	.13½
1	.42	.29	Jack Waite	......	.31	.....	.....	.....
50c	.65	.19	Kootenay Belle	6,700	.50	.50	.47	.48
25c	.02	.00½	Kootenay King	......	.00½	.....	.....	.....
1	.01½	.00½	Lakeview	13,000	.01½	.01½	.01½	.01½
10c	.06	.02	Lucky Jim	2,000	.03	.02	.02	.02
No	.40	.11	Mak Siccar	9,700	.22	.24½	.20	.24½
50c	.01½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.14	.09½	McGillivray	......	.09½	.....	.....	.....
10c	.33	.08½	Meridian Min.	19,650	.11	.13	.10½	.12½
5c	.04	.03½	Metaline Metals	......	.03½	.....	.....	.....
No	.85	.13	Minto Mines	30,100	.20	.20	.19	.19
1	.27	.26	Mont'y Ackerman	......	.27	.....	.....	.....
50c	.46½	.13	Morning Star	10,800	.18	.15½	.14	.15
1	.05½	.00½	Morton Woolsey	4,000	.01	.01½	.01½	.01½
50c	.09	.03	National Silver	15,950	.03½	.03½	.03	.03½
50c	1.36	.20	Nicola	15,350	.34	.35	.32	.32
50c	.17	.06½	Noble Five	25,350	.07½	.07½	.06½	.06½
No	.26½	.10	Norgold	5,100	.23	.25	.22	.23
1	.54	.12½	Pavilion	4,700	.47	.48	.47	.48
No	.10½	.07½	Pilot	19,400	.09	.09½	.07½	.07½
1	14.25	10.50	Pioneer Gold	50	11.50	11.10	11.10	11.10
50c	.18	.06½	Porter Idaho	7,400	.08	.08½	.07½	.07½
No	.02½	.00½	Premier Border	......	.00½	.....	.....	.....
1	.06	.03	Quatsino Copper	......	.03	.....	.....	.....
50c	.19	.06	Red Hawk	......	.06	.....	.....	.....
No	.27	.09	Reeves McDonald	305	.10	.11	.10	.11
1	1.25	.75	Reno Gold	31,875	.81	.95	.80	.91
1	.15	.04	Reward Mining	3,250	.05½	.06	.05	.05
No	.27	.09	Richfield Cariboo	......	.09	.....	.....	.....
1	.08½	.01	Rufus Argenta	2,000	.01½	.01	.01	.01
1	.05	.02	Ruth Hope	1,000	.02½	.02½	.02½	.02½
1	.55	.25	Sally Mines	400	.30	.30	.30	.30
50c	.35	.10	Salmon Gold	9,200	.16	.16	.13½	.15
1	.09	.04	Silverado	......	.04	.....	.....	.....
25c	.04½	.01½	Silvercrest	16,200	.01½	.02	.01½	.01½
20c	.17	.04	Silversmith	4,000	.07	.09	.09	.09
50c	.03½	.01	Snowflake	200	.01	.01½	.01½	.01½
25c	.04	.02	Sonora	......	.04	.....	.....	.....
1	.46	.07	Standard Gold	500	.07	.07	.07	.07
10	9.00	4.75	Sunshine	300	9.00	9.00	9.00	9.00
1	.28	.20	Sunloch	......	.20	.....	.....	.....
No	1.20	.27	Taylor Bridge	9,400	.28	.29	.27	.27
1	.65	.22	Taylor Windfall	3,800	.30	.27	.22	.22
5	.25	.20	Toric	......	.20	.....	.....	.....
50c	.35	.04½	United Empire	42,400	.31	.32	.25	.25
No	3.50	1.40	Vidette Gold	8,880	1.60	1.60	1.40	1.58
No	.21½	.05	Viking Gold	16,500	.07	.07½	.06½	.07
No	.27½	.08	Waterloo Gold	8,000	.08	.08½	.07½	.08
25c	.03	.01	Waverly Tangier	14,100	.01½	.01½	.01	.01
50c	.47	.06½	Wayside	10,223	.08½	.09	.08½	.08½
20c	.03½	.01½	Wellington	3,000	.01½	.01½	.01½	.01½
No	.44	.18	White Eagle	1,000	.18½	.18	.18	.18
1	.10½	.04	Whitewater	......	.04½	.....	.....	.....
			OIL STOCKS					
1	.15½	.06	Amalgamated	3,500	...	.07	.07	.07
1	.08	.03	Anaconda	2,000	...	.03	.03	.03
1	.10	.07	Brit. Dominion	......	.09	.....	.....	.....
1	.11½	.03	Crow's Nest	12,400	.07	.07	.06	.06½
No	.09½	.02	Devenish	200	.02½	.02	.02	.02
No	.01½	.00½	Fabyan Pete	......	.00½	.....	.....	.....
No	.15½	.06	Freehold	500	.07	.07	.07	.07
No	.13	.04	Hargal	......	.04½	.....	.....	.....
No	.35	.14	High Sarcee	3,400	.16	.16½	.15½	.16
No	.05	.00½	Madison	......	.00½	.....	.....	.....
No	.35	.05	Marjon Oil	11,800	.11	.11	.09	.09½
No	.05½	.02½	McD. Segur Ex.	500	.02½	.02½	.02½	.02½
1	.47	.25	McLeod	500	.35	.33	.33	.33
No	.22	.12	Mercury	5,300	.13½	.13½	.12½	.12½
No	.22	.10	Mill City Pete	......	.11	.....	.....	.....
No	.18	.05	Okalta	1,000	.05	.05	.05	.05
100	30.00	18.00	Do., pref.	......	30.00	.....	.....	.....
No	.17	.04½	Pacalta Oil	1,200	.....	.04	.04	.04
1	.75	.14	Ranchmen's	......	.60	.....	.....	.....
No	.04	.02½	Richfield	......	.02½	.....	.....	.....
1	.42	.20	Spooner	400	.30	.26	.26	.26
No	.11½	.03½	United	500	.04	.04½	.04½	.04½
No	.50	.11	Vanalta	2,200	.10	.10½	.10	.10
1	.20	.10	Vulcan	......	.11	.....	.....	.....
1	.35	.07½	Wellington Oil	......	.08	.....	.....	.....

DIVIDEND PAYERS

Company	Rate	Yield	Company	Rate	Yield
Acme Gas†	2c.	.....	Macassa†	5c.	.....
Ajax Oil	8c.	8.42	McIntyre	$2	4.37
Bralorne	60c.	4.28	Mercury Oils‡	4c.	.....
Buff. Ankerite	10c.	2.85	Merland Oils‡	5c.	.....
Bulolo Gold‡	60c.	.....	Model Oils	3c.	.....
Coast Brew.	92c.	10.20	Nipissing	12½c.	.....
Coniagas‡	12½c.	.....	Noranda‡	$1	.....
Cons. Smelters	1.00	.....	Petrol Oil‡	3c.	.....
Dome Mines	$2	4.87	Premier	12c.	9.60
Falconbridge	10c.	.....	Pioneer, B.C.	80c.	6.72
Hollinger	65c.+50c.	5.51	Royalite	50c.	3.92
Howe Sound	$3	.....	San Antonio†	5c.	.....
Howey Gold	6c.	.....	Siscoe	12+5c.	.....
Int. Coal & Coke‡	1c.	.....	So. Amer. Gold	10c.	.....
Int. Nickel c.	15c.	.....	Sylvanite	20+5c.	.....
Kirk. Lake†	3c.	.....	Teck-Hughes	40c.	9.19
Lake Shore	$2+$1	5.13	Toburn	8c.	.....
			Wright-Har.	40+20c.	.....

‡Interim. †Initial.

Unlisted Mining Stocks

October 9, 1934

Company	Bid	Asked	Company	Bid	Asked
Adanac	..	.23	Lafayette L. Lac	..	.13
Algoma Summit	.50	..	Lamaque Cont. Units	..	95.00
Afton	..	.20	Longlac Inlet	.32	.35
Ardeen	..	.17	Long Lac Lagoon	.22	.25
Arntfield Gold	..	.85	Lamaque Gold	1.50	1.70
Arntfield Synd.	..	.85	Langmuir L. Lac	.36	..
Bailor Gold	..	.10	Long Lac Synd.	2.00	2.50
Bankfield Gold	.93	.97	McFarlane L. Lac	.35	.40
Bathurst	.04	.05	MacL. Cockshutt	.42	.45
B. C. Nickel	.67	.72	Magnet Lake	.31	.33
Black River	.21	.25	Mandalay	..	.25
Big Long Lac	..	.14	Marbuan	.68	.73
Bosquet Gold	...	.25	Matachewan Can.	.16	.18
Bur-Ley Long Lac	.18	.20	Metals Devel.	.04½	.05½
Burroughes L. L.	30.00	35.00	Middle Bay	..	.20
Bidgood Cons.	.02	.03	Minefinders	2.00	3.50
Brennan Kenty	..	.60	Montague Gold	3.00	4.00
Can. Pandora	.15	.16	Murwood	.35	.40
Canusa Mining	.06½	.08	Mosher Gold	.16	.20
Casey Contact	.42	.45	Neville Can.	.53	.58
Casey Summit	..	.82	North Shores	.19	.22
Cent. Porc.	..	.42	North Tiblemont	.10	.12
Cochenour Wil.	105.00	120.00	Payore Mines	.28	.31
Columario (old)	.17	.20	Peninsular Pete.	..	.01
Continental Kirk.	.06	.08	Pontiac Rouyn	.30	.40
Cripple Creeks	..	.30	Queen Lebel	.18	.22
Cryderman Gold	.49	.52	Rimond Tiblemont	.18	.20
Crown Reserve	.02	.03½	Red Lake Gold	...	.19
Cuniptau	.40	.44	Rice Lake	.15	.17
Dennison Cop.	.02	.03½	Roche Long Lac	.18½	.21½
Dunlop Cons.	.03½	.04	Rubec	.02	.03½
El Bonanza	.17	.19	Sakoose	.26	.29
Forty-Four Gold	13.50	14.50	Sculler Gold	10.00	11.50
Glenora Gold	.10	.14	Shawkey	.41	.45
Gold Eagle	..	.43	Sigma	..	2.60
Golden Long Lac Unit	..	20.00	Smelter Gold	.23	.24½
Gr. Bear Lake M.	.10	.15	So. Shore Gold	..	30.00
Gabrielle	.78	.82	Springer Sturgeon	..	.26
Hardrock Un.	70.00	80.00	Sturgeon River	5.50	6.50
Hardrock	..	.80	Talisman	.40	.47
Horseshoe	.03½	.04½	Tashota Goldfield	.55	.60
Herbin Lake Un.	19.00	22.00	Tiblemont Island	.95	1.02
Island Lake	.07	.09	Toburn	1.33	1.40
Jomac Units	31.00	35.00	Tyche L. L.	...	.17
Karl Springer	5.00	6.00	Vanguard L. Lac	.28	.31
Kenogamisis	18.00	21.00	Vanquelin Sifton	.28	.30
Keyroc Gold	.14	.17	Vermilion L. Sh.	25.00	30.00
Kingfisher	.20	.24	Wendigo	..	.80
Kirk Gold Belt	.21	.24	Witch Bay Gold	..	5.75
Kow Kash (Tashota)	.08	.10	Wells L. Lac	..	.23
Lake Caswell	.50	.60	West-Side L. Lac	..	.23
La Roche	.17	.19	Wingold	.32	.35
			Young David	.30	.34
			Ymir Y. Girl	.33	.36

Source of quotations on application. Not guaranteed.

No Inspection of Claims By Department of Mines

Proposal That Government Examine All Mining Properties Not Feasible — Expense Great

Emphatic denial has been given to The Financial Post of the story that has been circulating during the past week to the effect that discussions are afoot which will lead to the appointment of a staff of inspectors to examine assessment work and to check on the bona fides of work recorded on mining claims in the Province of Ontario. Such a proposal has not been considered by the Department of Mines and officials of the department are definitely opposed to such a plan.

The recording of claims has been a subject of considerable controversy among prospectors for many years. Members of the fraternity have claimed that wholesale blanketing of claims has occurred in active fields, large blocks of claims having been staked and recorded, and in some instances the work falsely reported when the time for recording was due. Criticism has been levelled at this practice. It is claimed that development has been retarded in many areas by blocks of claims being tied up which might otherwise have been thoroughly prospected and explored by some active organization.

While it is true that the abuse exists it is doubtful if any great benefit would accrue from an inspection by the Department of Mines. It would also be most difficult to determine whether assessment work had been done. Just what constitutes 200 days work is a debatable point. If it was found that the assessment work had not been done what action would be taken? The Department of Mines could cancel the claims but it would also be necessary to take criminal action against the parties involved for filing a false affidavit.

The expense necessary to carry out such a proposal would not be warranted by the results. The Department of Mines field force would have to be enlarged several times if all claims staked were to be examined by a department official. For instance, over 4,000 claims have been staked in the Port Arthur mining division this summer. Many of these will never amount to anything while others may develop into profitable mines, but the expense involved in having the Government make an examination of every claim cannot be justified from any angle.

The proposal has also been heard recently that the Government should establish a central bureau to which newspapers could go in their search for accurate information concerning mining properties and producing mines. While a central Government agency which would keep the public constantly posted as to the actual programme of various mines within the province is perhaps desirable, it is not feasible. In fact there are dangers involved which makes its desirability doubtful. One can well imagine what a weapon Government inspection of a property would be in the hands of promoters of fraudulent mining issues. With Government approval of their property they would have little difficulty in selling stock to innocent investors.

The administration costs of an information agency, as in the case of making an examination of assessment work would be great. Keep an accurate check on all mining effort in the Province of Ontario would be a huge job and would require an enormous staff of highly trained mining engineers and geologists. Every time a new find or vein was reported an engineer would have to be dispatched to make an examination of the discovery.

A more practicable way of securing accurate information seems to be one which has been suggested several times in the past, namely, to make it compulsory for progress reports to be signed by professional engineers and giving such a body as the Canadian Institute of Mining and Metallurgy disciplinary powers over the profession. If any engineer was found guilty of signing a false report the Institute would have power to expel him from the profession. This would be a sure check upon the disbursement of false reports. Very few engineers would endanger their standing by publishing misleading information.

NO LIQUID ASSETS DEBTS OF $7,533 AT STANDARD GOLD

Sloan Company Audited Statement Shows Poor Position

Shareholders of Standard Gold Mines, which in the spring of this year, was active in the Bridge River district of B. C., nine miles from Pioneer Gold Mines, had their worst fears confirmed recently, when the audited balance sheet of the company, issued in keeping with the undertaking given at the meeting in September, shows the company to have no liquid assets whatever, and to have $2,880 due for wages, and $4,653 due to sundry creditors.

The statement shows that the entire capitalization of 500,000 shares $1 par, of this company, of which William Sloan was managing director, have been issued. However, $18,598 is still owing the treasury on 61,993 shares payable in cash, upon which the company has received only $3,100 of the $21,698 payable.

Sloan Gets Cash, Shares

A total of 200,000 shares were issued for mineral claims. A further 232,007 shares were fully paid in cash bringing in $74,851 while 6,000 shares were issued to William Sloan for services. In addition Mr. Sloan received $2,500 in cash, the statement shows.

The list of directors included on the printed statement indicates that Brig.-Gen. J. Duff Stuart, formerly president, has withdrawn from the board. Directors are listed as follows: W. D. D. Agnew, William Sloan, E. C. Daugherty, John Keillor, Ralph Parker and C. H. Webster, secretary.

The audited statement gives an accounting for expenditures of $91,483 from date of incorporation Sept. 1932, to July 31, 1934. The auditors, Buttar & Chiene, draw attention to the fact that the proposed transfer of mineral claims, plant and machinery to Standard Consolidated Gold Mines Ltd. has never been completed because the latter company has not yet received a certificate to commence business.

Assets $291,483

The statement shows that there was paid to the managing director for services, $2,500 in cash and 6,000 shares shown on the books at $1 each. Other items making up the $91,843 expended included $22,883 for buildings, machinery and camp equipment, $25,714 for mine wages; $6,137 for freight, cartage and packing supplies; $10,610 for camp supplies, including powder and workhouse supplies; $1,296 workmen's compensation insurance; $5,538 surveying; $773 insurance; $475 recording fees, $275 consulting engineer; $820 general mine expense; $306 advertising; $2,227 incorporation and legal; $1,893 travelling and transportation expense; $2,670 office salaries; $420 office rent; $129 postage and telegrams; $296 stationery and office expense; $675 general expense.

Mineral claims are shown at $200,000. These were paid for by issuing 200,000 fully paid shares to vendors. Development and other expenses of $91,483 bring total assets to $291,483.

Boylen Bros. Take Charge of Sudbury Mines Prospect

Sudbury Mines have appointed Boylen Bros., Contracting and Exploration Co. to take charge of operations on the recently acquired group of claims in the Sturgeon River gold area, according to an announcement by company officials. The property, consisting of nine claims, is located on the main southern break of the field, being situated due east of the Teck-Hughes and McIntyre property on Oxaline Lake.

Godfrey Investigates Teck Market Action

Announcement has been made by J. M. Godfrey, K.C., newly appointed Ontario Securities Commissioner, that a public enquiry will be made into the recent market action of Teck-Hughes Gold Mines stock. It has been charged in some quarters that announcement of dividend reduction was "withheld to permit short-selling of the stock.

In a brief statement, the commissioner said the enquiry would be made into the allegation that announcement of the dividend reduction had been withheld "in order to give insiders an opportunity to sell stock short."

In connection with the above action the company has issued the following statement: ". . . a request has been received from the Ontario Securities Commission for certain information, which has been furnished. As this information has been given confidentially to the commission, we do not feel at liberty to make it public without the consent of the commission. No complaints or charges have been made by the commission against the company or any of its directors or officers."

Lake Fortune Gold Mines Makes Public Offering

With a block of 320 acres in the Rouyn-Noranda area of Quebec, Lake Fortune Gold Mines has announced a public offering in Michigan State of 500,000 shares at 30 cents per share, to net the treasury of the company $127,500.

Lake Fortune Gold Mines is operating under a federal charter, and has an authorized capitalization of 4,000,000 shares of no par value, of which 499,991 will remain in the treasury after the present financing. The property has been surface trenched, and diamond drilled from the surface, in addition to some underground work from two shafts, 785 ft. apart, according to a prospectus recently issued. Shaft No. 1 is 150 ft. deep and shaft No. 2 125 ft. deep. A total of 1,370 ft. of lateral work was done on the 125-ft. horizon, 800 ft. from No. 1 shaft and 570 ft. from No. 2 shaft. The company states that a new bunk house, shaft and power house, and other buildings have been installed, and an electric power line completed from the Aldermac Mines, and connected to the transformers. Work is now being centred on resuming shaft operations, with an objective of 500 ft.

The company starts operations with $61,445 in cash in the treasury, and claims to have a further $135,000 firmly subscribed. In addition there will be the proceeds of the present offering.

Lake Fortune Gold Mines has as directorate, James J. McFadden, Sprague, Ont., pres.; W. Gagnon, Montreal, vice-pres.; W. L. Paterson, Montreal, sec.-treas.; and A. A. MacKay, George Bonner, Dr. Omer Noel, Harry Stewart, Montreal; P. C. Finaly, Toronto, and F. J. Bailes, Oshawa, directors. The head office of the company is in Detroit.

Dentonia Mines Ltd.—Information received from Angus Davis, M.E., the company's consulting engineer and mine manager, states that average channel samples on the new strike on the Anchor vein assayed 1.7 oz. gold and 10 oz. silver over a width of 10 ft. The ore was entered by a raise about 20 ft. from the surface and is being followed down.

Minto Gold Mines (B.C.) — The company plans to have its mill in operation before the end of November. The actual capacity of the mill will be 70 tons daily. The machinery is expected to arrive on the property about Oct. 20. The road from the main highway to the millsite has been completed and a sawmill installed. Transmission lines to the substation have been completed.

Exchange Member

GERALD L. TIMMINS

Of Timmins, Fairlie & Co., who has just been elected a member of the Montreal Stock Exchange. He is a son of Noah Timmins, president of Hollinger Cons. Gold Mines.

Hudson Pat. Sinks Shaft To Depth of 239 Feet

Hudson Patricia Gold Mines, in a progress report issued over the signature of W. R. Salter, president, states that a two compartment shaft has been sunk to a depth of 239 ft. at a point about 20 ft. south of the No. 1 prospect shaft, which is down 100 ft.

Drifting to the east on the first level for a distance of 300 feet opened 190 feet of ore showing an average width of 30 inches and grade of $26.25 per ton, current gold price. Although the drift face is in ore, work was suspended on this horizon owing to the danger of encountering water trouble from the lake.

On the 200 ft. level drifting from the main shaft has been carried forward 700 feet eastward along the vein, opening up two principal ore shoots of good commercial grade and width. To the west the drift was carried 80 feet from the shaft on a strong quartz vein 3½ feet width at which point a fault was encountered, but since has been worked out on surface and a crosscut is being driven to pick it up underground. In addition a crosscut is being driven from the 200 ft. level northward to explore at depth the interesting new surface find in this direction. This new showing comprises 12 veins striking east and west carrying gold values.

A new discovery, which the management believes to be of major importance, was made approximately 1,000 feet east of the shaft and parallel to the shaft vein. This find shows a width up to 17 feet of commercial ore and was exposed by trenching for a length of over 450 feet. This orebody is expected to be cut soon by a crosscut from the 200 ft. level.

In view of the satisfactory results to date, the president states, which encourage early mill construction, a bulk shipment of ore is being made to the Dominion Government laboratories at Ottawa, to determine the best type of mill to treat Hudson Patricia ore.

PLAN BUSY WINTER IN FLIN FLON AREA AS SUMMER ENDS

Con. Mining & Smelting Ceases Work Till After Freeze-up

From Our Own Correspondent

REGINA.—Plans for winter work are being organized in Saskatchewan's mineral area south and west of Flin Flon, extending from the Manitoba boundary.

Summer work has ceased on various properties notably the Consolidated Mining and Smelting company's Missi Island group of claims 30 miles southwest of Flin Flon. For the greater part of the season 26 men were at work on these claims under William Dean, engineer in charge of exploration. Extensive stripping and trenching were completed. Further operations may take place after freeze-up.

Greatest activity this winter will likely centre around the Henning-Maloney property on Bootleg Lake, six miles southwest of Flin Flon. Just as soon as weather permits, a power line will be run from Flin Flon to the mine and stepped down for requirements. It is expected the five mile line and equipment will run to about $10,000. Jack Callinan is in charge of operations. Camp buildings are now under consideration. At present the only way in is by air. A road will be opened after the snow falls, so machinery can be moved in.

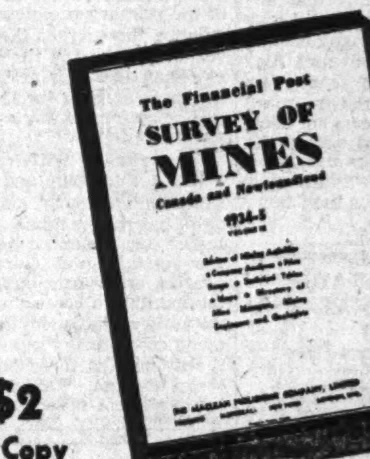
Active Near Beaver Lake

Diamond drilling has started on the Bob Graham property at Beaver Lake under supervision of Dr. J. F. Wright, formerly with the federal department of mines and now associated with R. J. Jowsey and his companies. Smith and Travers have the contract for drilling a minimum of 2,000 ft.

There is a considerable amount of staking around Beaver Lake and also Schist Lake with more than 30 prospectors looking over the ground. Sinking of a prospect shaft has started on the Wekach claims five miles west of Flin Flon. Six men are on the property which adjoins the Henning-Maloney claims. Four veins have been discovered and a feature of the No. 1 vein is that it runs east and west while all other known veins in this part run northeast by southwest. Owing to the nature of this vein drilling will take place after freeze-up as it runs into Bootleg Lake.

Another gold strike has been reported from the northwest boundary of the province on Lake Athabasca, somewhere about five miles east of the Beaverlodge find. Its extent is not yet known. To date 30 claims have been filed with the Saskatchewan department of natural resources but it is expected there will be more than 300 before long. Heavier traffic to the district will take place, it is expected, after freeze-up.

Just off the Press



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HARD ROCK SYND. SELL PROPERTY TO OKLAND GOLD

Ventures, Sudbury Basin Interested in New Company, Reports State

From Our Own Correspondent

SUDBURY.—A new Little Long Lac enterprise known as Okland Gold Mines has been launched, with Ventures and Sudbury Basin Mines, interlocking companies, interested, and with Joseph Errington, president of Little Long Lac Mines, as its head. The new company is capitalized at 3,000,000 shares, and it is stated an issue of 600,000 shares has been oversubscribed to the extent that it will have to be distributed pro rata.

Okland Gold Mines owns 21 claims altogether. A group has been taken over from Hard Rock Syndicate on terms which will provide Hard Rock unit holders with a dividend of about 15 Okland shares for every unit held. Also in the holdings is the location from which Tony Okland in 1914 took nuggets or floats which he sold to the Hudson Bay Company for $750.

Prepare To Drill

The group of claims extends from the east boundary of Little Long Lac Gold Mines and touches the north boundaries of MacLeod-Cockshutt, Hard Rock and Lac Development in that order to the east. At the east end there is a narrow vein with considerable visible gold in it cutting northeast across the southeast corner. Farther west along the south shore of the lake, two narrow veins were found at the edge of the water, three or four inches wide, and rough specimens broken off show plentiful visible gold associated with galena and chalcopyrite mineralization, company officials state. It is stated that preparations are being made for a diamond drilling programme to be commenced shortly to test out occurrences already found.

ORE RUNS $13.60 TON AT NORTHERN EMPIRE

Mill Now Treating Nearly 100 Tons a Day at Nipigon Property

From Our Own Correspondent

SUDBURY.—With the mill treating a little less than 100 tons a day, it is definitely stated that millheads from Northern Empire Mines ore are are running $13.60 per ton at the present price of gold. This grade compares with the big producers in the Kirkland Lake area, and is well ahead of the showing in the first Government report made when the milling plant was merely tuning up.

A cyanidation plant is being constructed to treat the concentrates and the capacity may be up to 150 tons by the end of the year. With construction work proceeding, about 90 men are now employed at the mine.

The Northern Empire property was formerly the Beardmore, located in the Nipigon Forest Reserve and comprises some 500 acres. The company's capitalization is 500,000 $1 shares, of which 341,000 shares are issued.

Fear Early Freeze-up In Manitoba Fields

From Our Own Correspondent

WINNIPEG. — Fears are being expressed by mining men that unless there is a considerable change in the weather a good many mining properties in the Central and Rice Lake areas will find themselves short of supplies over the freeze-up period. Hundreds of tons of supplies have been ordered within the past two or three weeks nearly all of which must be flown in, while this week there were less than three days of flying weather.

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Canada in Strong Position As Copper Outlook Bleak

Much-heralded Price Increase for Red Metal Fades Into Future, Experts Agree

Present indications are that the long awaited upward price movement for copper will not materialize during the autumn months. Recent price action has been in the other direction, export copper at New York, whose price is regulated by European demands, being quoted as low as 6.375 cents per pound. While the statistical position of the metal has improved substantially and is still improving there are a number of depressing factors present and it would appear that there is little possibility of any permanent improvement unless some agreement can be reached by world producers to limit production.

There is available a vast actual or potential supply of copper. Productive capacity far exceeds demand, and unless some arrangement can be made whereby production can be restricted until such time as consumption has recovered to a much higher level, it is likely that prices will be depressed. Steps have already been taken toward bringing together the principal world producers, exclusive of United States, in a meeting which would consider measures to improve the market situation. It is doubtful, however, if even a preliminary meeting can be held before the close of the year. Represented at such a meeting would be the producers of Rhodesia, South America, Belgian Congo and Canada. These four areas are responsible for the bulk of primary production outside of United States.

U. S. Isolated

While production in United States is already restricted, no international agreement would be really effective unless that country was a party to it. Protected by a four cent tariff wall the United States is at present a law unto itself. Should it decide to increase production and enter the export market the effect would be disastrous. World stocks would mount and the price would fall. With a nine cent price available in the domestic market, American producers can afford to undercut competitors in the European market.

The American copper producers have been experiencing difficulty of late in holding the domestic price of copper to nine cents per pound. Output, currently running at about 25 per cent of capacity, has shown a tendency to increase and only strenuous effort on the part of the producing organization has prevented members from stepping over the line. If there should be a break from control the price of copper in the United States would decline rapidly and the European price would drop even lower.

In order to bring about an improvement in the domestic situation, United States copper producers have decided to step aside and permit the custom smelters and producers of secondary and by-product copper to secure all the current orders for a time. The copper code provides for aggregate sales of 30,750 tons of copper monthly, of which 10,750 tons is the monthly share of custom smelters. During September total sales of the red metal were approximately 6,000 tons, not even equivalent to the custom smelters' quota. As offerings of the primary producers would unbalance the market the latter have withdrawn for the time being. It is expected that this action will keep the price of Blue Eagle copper pegged at nine cents for a considerable time.

Germany Withdrawing?

While European and world consumption during the current year to date has been much higher than in the corresponding period of 1933, the possibility of Germany disappearing as a large buyer of copper for months to come may offset this advantage. Early in the year Germany made heavy purchases, but in recent months these have shown a sharp decline. This is interpreted by intelligent observers as meaning that Germany had been heavily overbuying and that she is now feeling the lack of credit. The possibility of the loss of Germany as an outlet for copper has had a depressing effect on the price of the metal.

Every student of copper affairs realizes that there has been a considerable change in the world copper producing picture in recent years. United States no longer dominates the situation. With its control of the large producers in South America that country was able for a period of 20 years to regulate the price as well as, to a degree, the output. This control has now disappeared and the Chilean, African and Canadian fields are very large factors in the equation of production and price.

New Fields Looming

Each of these fields has risen to major ranking as producers only in the last seven years and each has enormous ore reserves. In Rhodesia a tremendous reserve of 551,780,000 tons of four per cent copper ore has been proven. The three producing companies in the area have a treatment capacity of 14,500 tons of ore daily and are rapidly adding to this.

In Belgian Congo, Haut Katanga, has an estimated ore reserve of 85,979,000 tons of six per cent ore and a productive capacity of 300,000 metric tons annually.

Chile mines also have impressive ore reserves. Braden has a reserve of 240,000,000 tons of 2.2 per cent ore. Chile Copper has the most formidable ore reserve tonnage of any mine in the world, calculated to run three per cent copper. Andes Copper had a production of 81,000 tons in 1929.

Canada is also fortunate in having large reserves. International Nickel, the largest producer of copper in the country, at the end of 1933 had an estimated reserve of nickel copper ore running at approximately 204,000,000 tons. Noranda, which ranks second among Canadian producers of the red metal, has reserves valued at hundreds of millions and while it has largely ceased exploration work, ore areas have not in any sense been delimited. Hudson Bay Mining and Smelting has a 20-year reserve, operating at 4,500 tons daily. All of these companies are now operating at high rates of production.

Canada Has Low Costs

While the recent decline in the price of copper does not augur well for Canadian producers it will have no effect on operations, other than to decrease earnings. The principal producers of copper in Canada are low cost mines and as result can carry on operations even in the face of very low prices. While the copper content of Canadian mines is not high the production of the metal in this country is closely associated with other metals such as nickel, gold, platinum, silver and zinc. As a result, copper assumes the rôle of a by-product and enjoys the low production costs of members of this class. While Canadian ores may be lower in copper content than those of the big African mines the other metal content is sufficient to make up the differential in grade.

Canadian producers have little to fear from low-cost competition. They rank among the lowest-cost producers in the world. Noranda's copper costs are minus two cents per pound if precious metals are credited. International Nickel's costs are not available but here the output of copper occupies a subsidiary position to nickel. Hudson Bay Mining and Smelting made fair profits last year with copper at an average price of 7.30 cents per pound. Aided by a higher price for silver and gold the company should be able to repeat this performance even in the face of lower copper prices. Operating costs of Roan Antelope, the major Rhodesian producer, are estimated at 6.60 cents per pound.

Bullion Movement in United Kingdom

The following were the United Kingdom imports and exports of gold registered from mid-day Sept. 17 to mid-day Sept. 24:

Imports

	£
Germany	8,225
Netherlands	74,000
Turkey, European	13,960
Iraq	11,334
U. S. A.	109,968
British West Africa	98,044
British South Africa	580,604
Hongkong	93,183
Canada	596,760
Australia	437,597
British Malaya	14,963
Nfld. and Coast of Labrador	22,085
Salved from S.S. "Egypt"	27,296
Other countries	54,247
	2,142,266

Exports

Netherlands	25,400
Belgium	310,100
France	316,480
Switzerland	6,894
Czechoslovakia	11,300
Venezuela	326,900
Other countries	3,279
	1,000,353

Engineer Examines Algold Property

Further development of the property of Algold Mines in the Michipicoten area of Ontario is recommended by R. F. Mitchell, E.M., who is making an examination of the mine. In a report issued this week, he states that the prospects of making a mine are excellent and that the results of his examination have been sufficiently favorable to warrant the company proceedings with a development programme.

Mr. Mitchell points out in his report a decided change in the dip of the vein between the 100-ft. and 200-ft. levels. The shear on the 100-ft. level dips south about 60 degrees and on the 200 ft. level east the shear apparently of the same makeup dips north 60 degrees. This may be only a local fold and if this is the case it may be possible to strike the high grade shoot on the 200-ft. level by continuing the north crosscut.

Mr. Mitchell's report further states that the vein exists for over 3,000 ft. on the surface and shows free gold in places along the entire length. Only about 500 ft. of this has been explored on the 100-ft. level and about 700 ft. of drifting on the vein has been done on the second level. In all some 1,600 ft. of drifting and crosscutting has been done on the latter level though not half of this was on the vein. Information samples gave fair results.

Wingold Mines Shaft Reaches Objective

Shaft sinking at Wingold Mines property adjoining San Antonio Gold Mines, in the Rice Lake district of Manitoba, has reached the second level objective. An announcement made by the Scottish Exploration Co., which is in charge of development at the property, states that a station has been cut at 275 ft. and a crosscut started toward veins No. 1 and No. 2. It is expected that the crosscut will intersect No. 1 vein about the middle of the month.

The crosscut on the 150-ft. level cut No. 1 vein approximately 85 ft. north of the shaft. Where intersected the vein was eight ft. in width with visible gold in both faces. Over 50 ft. of drifting was done on the vein before lateral work was discontinued in order to concentrate on deepening the shaft to the second level. A programme of lateral work is now to be carried out on both horizons.

Ontario to Build Roads In Sturgeon River Area

To aid mining companies operating in the vicinity of Geraldton, on the C. N. R. the Ontario government has decided to bear the full cost of constructing a two mile road from Geraldton. Hon. Peter Heenan, Ontario Minister of Lands and Forests announced recently. Mr. Heenan also stated that the government would improve a road from Valora, midway between Port Arthur and Sioux Lookout for a distance of 11 miles to serve mining companies operating near Sturgeon Lake.

God's Lake Plans $750,000 Outlay Developing Mine

From Our Own Correspondent

WINNIPEG.—The largest individual undertaking in the mining industry in Manitoba over the next few months will undoubtedly be the expenditure of $750,000 by God's Lake Gold Mines. This includes the construction of a power plant on the Kenuchuan rapids, a pole line 42 miles to the mining camp on Elk Island and the necessary electrical equipment, all of which will cost approximately $400,000.

Work on these projects has already commenced. W. G. Chase, electrical engineer, left Winnipeg Sept. 21 by plane for the camp at Kenuchuan rapids where about 60 men are already at work. This number will later be considerably increased.

The primary crushing plant to be installed at the mine will be of large capacity, but initial mill installation equipment will likely be for 100 tons daily, with provision made for rapid increase by the addition of further tankage and smaller ball mills. The entire plant will be operated by electricity and the heating of the camp will also be undertaken in the same manner. About 100 men are now on the mining staff which will probably be sufficient for early operations. It is planned to have the mill in production by September, 1935.

Ship in Heavy Freight

Five thousand tons of freight will be freighted in from Ilford, at mile 286 on the Hudson Bay line, a distance of 132 miles to Elk Island. Last winter 1,200 tons of freight were moved over this road.

The company is operating its own sawmill and dozens of new houses are being erected for the men engaged in the mine work.

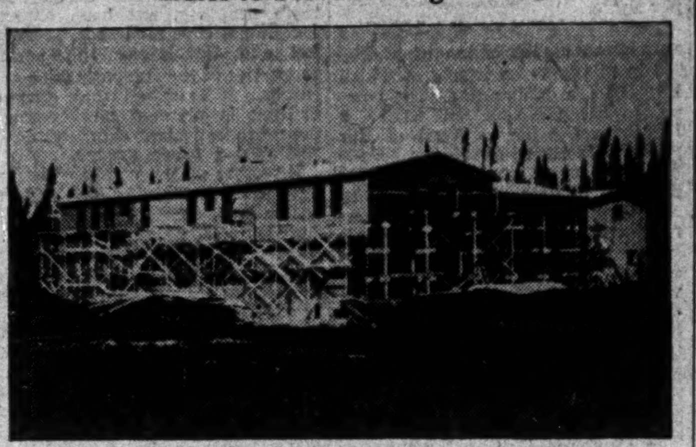
R. J. Jowsey, president who has just returned from an extended trip to the north, says that on the basis of drilling results and drifting done on the two levels now being worked there is 37,000 tons of ore in sight. This amount will of course be very largely increased before the mill goes into operation. On the lower level the drift is now in high grade, the quartz splashed with free gold, while the average is round the half ounce per ton.

Three shoots of commercial value have been developed on two levels according to a statement issued this week by H. R. Drummond Hay, vice-president of the company. The shoots have an aggregate length of 646.3 ft. Two of the shoots opened up are on the first level. The first of these averages .69 ounces of gold per ton over a width of 6.8 ft. for a length of 281.8 ft., and the second, .36 ounces of gold per ton over 4.3 ft. width for a length of 130.7 ft. The ore shoot on the second level has been developed for a distance of 233.8 ft., averaging .44 ounces per ton over a width of 4.4 ft.

Mr. Jowsey is interested in an operation at Stevenson Lake on which work has been going on during the summer months. A strong vein three to eight feet in width has been traced for a considerable distance and a contract has now been let to sink a shaft 50 ft. and for 200 ft. of lateral underground work. This work will be done by hand.

Drills are also working on the Graham property at Beaver Lake in Saskatchewan. This property has had a lot of work done on it one time or another.

Hotel to Serve Mining Men



"The new hotel at Geraldton is going up rapidly," remarked a visitor returned from Little Long Lac mining country to a geologist who had been there just a month before. "What hotel?" asked the geologist.

That's the speed at which things move in the north, when the miners come in. Geraldton, on the C.N.R. two miles north of Little Long Lac mine, is being developed as a townsite. The new hotel, shown here, is springing up like a mushroom and is already accommodating guests in one corner while the carpenters are at work on other parts of the building.

Lots at Geraldton, which a month ago was muskeg and jackpine, are selling at $250 apiece with $1,000 asked for the corners. Fancy street names are scribbled in red crayon on surveyors' posts and a three-story bank and store building has just been started.

NEW BANKFIELD VEIN SHOWS GOOD VALUES

Showing on Little Long Lac Property Near Shaft Workings

From Our Own Correspondent

SUDBURY.—Further information to hand regarding the new vein discovered on the Bankfield property in the Little Long Lac district, would seem to indicate that considerable importance is attached to the find. It is located about 100 ft. north of the ore body known as the south zone. The vein was not apparent on the surface but was intersected by diamond drill. At a depth of 76 ft. the core showed two feet running .46 ounces of gold and a further two ft. running .12 ounces of gold per ton. The length and depth have, of course, yet to be proven. The vein is within easy distance of the shaft which is being put down just north of the south ore zone. It can therefore be easily reached by crosscutting.

The north zone, or the original Magnet Lake find, will be extensively drilled this winter when operations can be carried on through the ice.

Rapid progress is being made with the construction of the permanent camp buildings, and these will ensure facilities for the prosecution of an intensive exploration campaign throughout the winter.

Siscoe September Output Exceeds That of August

September production at Siscoe Gold Mines amounted to $175,603, with gold calculated at $35 per ounce, according to a report furnished the Montreal Curb Market. This figure compares with a value of $174,857 in August of this year and with $155,623 in September of 1933. Millheads in September averaged $17.19, while tonnage handled was 10,554 tons. This compares with millheads of $17.52 in August and tonnage of 10,319.

BOB TOUGH GOLD STARTS SINKING AT WEST RIVER

Bousquet Also Participates in Revival of Old Area

From Our Own Correspondent

SUDBURY.—With McMillan Gold Mines now in the list of gold producers, the West River area is the centre of two other mining ventures that offer good prospects of following suit with further development. The Bousquet Gold Mines, after exploring its 150-foot level for about 400 ft., is now driving its shaft down to the 300-ft. horizon, where a campaign of development similar to that on the upper level will shortly be under way.

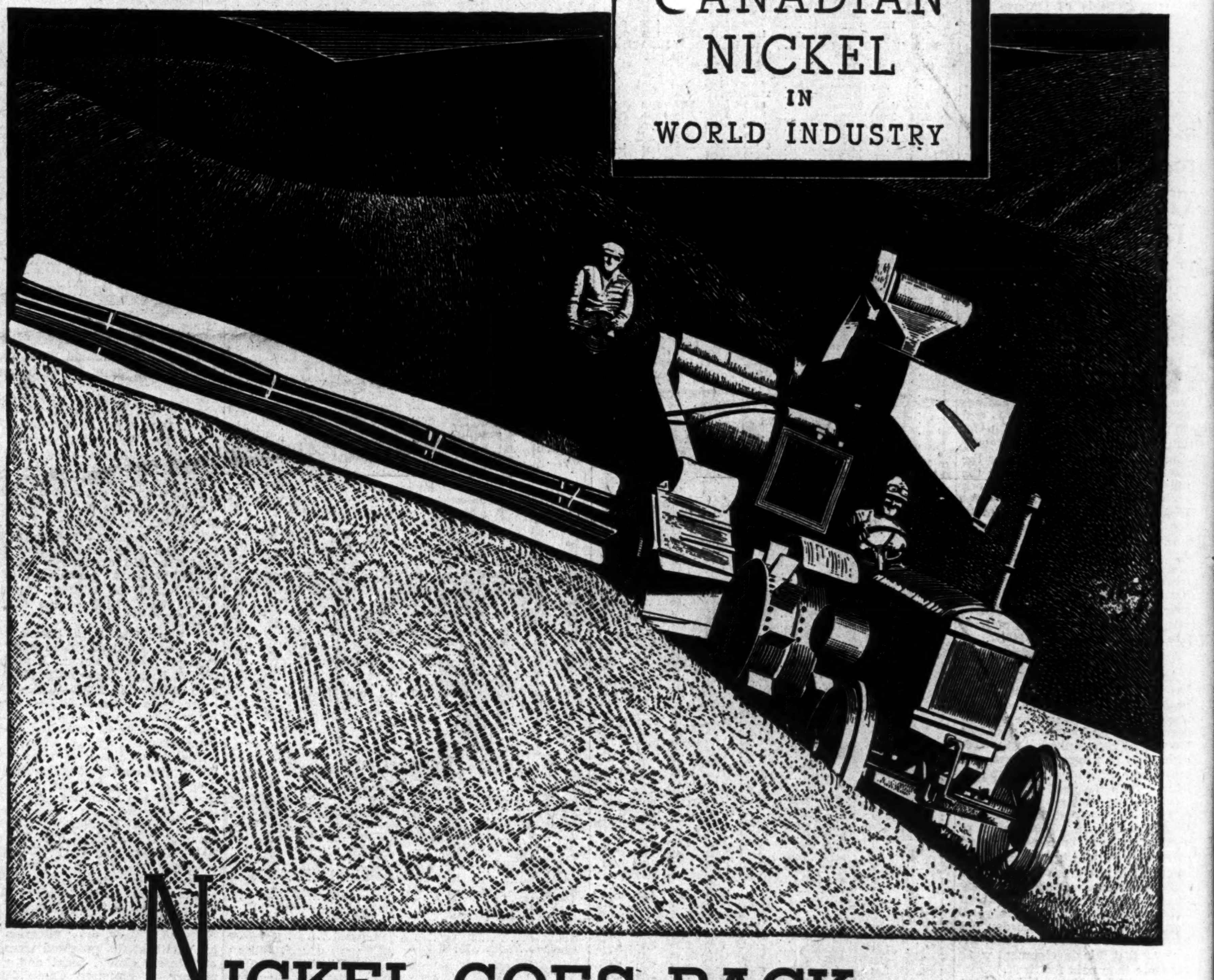
To the west of McMillan Gold Mines, in McKinnon township, following encouraging results secured from a diamond drilling campaign, Bob Tough Gold Mines has started the sinking of a shaft, and another similar operation will be started in due course. Two mining plants have been delivered to the property, and are now in course of installation.

Plan Small Mill

Shaft No. 1 has been sunk to a depth of 20 ft. with hand steel, and will be continued under power as soon as the plant is ready. It will be of three compartments, and is located on what is known as "B" zone. The second shaft will be put down on "A" zone. Mr. Tough, in charge of operations, states that it is the intention to put both shafts down to 500 ft. with four levels to be established and developed. Plans also are under consideration for installation of a small mill next spring.

Bob Tough Gold Mines has an authorized capital of 3,000,000 shares of no par value with 1,582,603 shares issued as at last report.

AGRICULTURE . . .



NICKEL GOES BACK
to till the ground from which it came

ON THE FARM it is also the "machine age." The past generation has witnessed rapid strides in the modernization of farm implements and this modernization is continuing.

New inventions, newer and larger implements that cover more ground and do more operations, all tend to speed up farming in those seasons when every hour counts.

This speeding up means greater strain on the metals used in the implements and in implement parts. It calls for the use of materials that will stand up against rough usage and constant wear and tear, with a maximum of life.

To meet this need Nickel Steels and Irons are used in increasing quantities in the manufacture of tractors, combines, binders, ploughs, harrows and all types of farm machinery. This use has reached such volume that the agricultural implement industry is today one of Nickel's important markets. Gears, axles, camshafts, pinions, bolts, drive chains and other highly stressed and wearing tractor parts are now made of Nickel Steels and Irons of various types.

Breakdowns on the farm are costly. They mean loss of time, labor, crops and money. The strength, toughness, corrosion and wear-resisting qualities of Nickel Steels and Irons largely eliminate these losses and speed up farm work.

Nickel thus returns to the ground from which it came, to render to agriculture throughout the world important economic services which result in the saving of time, labor and money.

The use of Nickel Cast Iron and Nickel Alloy Steel in all branches of industry gives greater strength and wear resistance to vital parts of machinery and equipment. The advice of our engineers is available at all times to assist in the selection of materials for specific problems.

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